The Company Secretaries Benevolent Fund (CSBF) provides safety net to Company Secretaries who are members of the Fund and their family members in distress.

**CSBF**
- Registered under the Societies Registration Act, 1860
- Recognised under Section 12A of the Income Tax Act, 1961
- Subscription/Contribution to Fund qualifies for the deduction under section 80G of the Income Tax Act, 1961
- Has a membership of over 12,000

**Eligibility**
A member of the Institute of Company Secretaries of India is eligible for the membership of the CSBF.

**How to join**
- By making an application in Form A (available at www.icsi.edu/csbf) along with one time subscription of ₹10,000/-.
- One can submit Form A and also the subscription amount of ₹10,000/- ONLINE through Institute’s web portal: www.icsi.edu. Alternatively, he can submit Form A, along with a Demand Draft or Cheque for ₹10,000/- drawn in favour of ‘Company Secretaries Benevolent Fund’, at any of the Offices of the Institute/ Regional Offices/ Chapters.

**Benefits**
- ₹7,50,000 in the event of death of a member under the age of 60 years
- Upto ₹3,00,000 in the event of death of a member above the age of 60 years
- Upto ₹40,000 per child (upto two children) for education of minor children of a deceased member in deserving cases
- Upto ₹60,000 for medical expenses in deserving cases
- Limited benefits for Company Secretaries who are not members of the CSBF

**Contact**
For further information/clarification, please write at email id csbf@icsi.edu or contact Mr. Saurabh Bansal, Executive on telephone no.011-45341088.

For more details please visit www.icsi.edu/csbf
<table>
<thead>
<tr>
<th>BACK COVER (COLOURED)</th>
<th>COVER II/III (COLOURED)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NON-APPOINTMENT</strong></td>
<td><strong>NON-APPOINTMENT</strong></td>
</tr>
<tr>
<td>Per Insertion</td>
<td>₹ 75,000</td>
</tr>
<tr>
<td>4 Insertions</td>
<td>₹ 2,70,000</td>
</tr>
<tr>
<td>6 Insertions</td>
<td>₹ 3,96,000</td>
</tr>
<tr>
<td>12 Insertions</td>
<td>₹ 7,85,000</td>
</tr>
</tbody>
</table>

| **APPOINTMENT**      | **APPOINTMENT**         |
| Per Insertion        | ₹ 50,000                |
| 4 Insertions         | ₹ 1,80,000              |
| 6 Insertions         | ₹ 2,64,000              |
| 12 Insertions        | ₹ 5,10,000              |

<table>
<thead>
<tr>
<th>FULL PAGE (COLOURED)</th>
<th>HALF PAGE (COLOURED)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NON-APPOINTMENT</strong></td>
<td><strong>NON-APPOINTMENT</strong></td>
</tr>
<tr>
<td>Per Insertion</td>
<td>₹ 40,000</td>
</tr>
<tr>
<td>4 Insertions</td>
<td>₹ 1,44,000</td>
</tr>
<tr>
<td>6 Insertions</td>
<td>₹ 58,800</td>
</tr>
<tr>
<td>12 Insertions</td>
<td>₹ 4,08,000</td>
</tr>
</tbody>
</table>

| **APPOINTMENT**      | **APPOINTMENT**       |
| Per Insertion        | ₹ 20,000             |
| 4 Insertions         | ₹ 38,000             |
| 6 Insertions         | ₹ 52,800             |
| 12 Insertions        | ₹ 2,04,000           |

<table>
<thead>
<tr>
<th>PANEL (QTR PAGE) (COLOURED)</th>
<th>EXTRA BOX NO. CHARGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Insertion</td>
<td>₹ 10,000</td>
</tr>
<tr>
<td>For ‘Situation Wanted’ ads</td>
<td>₹ 50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Extra Box No. Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Others</td>
</tr>
</tbody>
</table>

**Mechanical Data**

- Full Page - 18x24 cm
- Half Page - 9x24 cm or 18x12 cm
- Quarter Page - 9x12 cm

**The Institute reserves the right not to accept order for any particular advertisement.**

**The Journal is published in the 1st week of every month and the advertisement material should be sent in the form of typed manuscript or art pull or open file CD before 20th of any month for inclusion in the next month’s issue.**

For further information write to:
The Editor
The Institute of Company Secretaries of India

**30% Spl. Attraction**

Valid for the full billing for 36 insertions in 3 years in any category.

---

**EMBRACING DESS DIGITAL MEETINGS IS A GREAT WAY TO MAKE A DIFFERENCE. IT'S VERY EASY TO USE AND IT'S VERY EASY TO INTEGRATE LAST MINUTE CHANGES.**

CS Gorav Arora
Group Manager - Corporate Secretarial, Apollo Tyres

**Please contact:**
Dess Digital Meetings
The Trusted Meetings Solution Used By the Leading Boards

+91 97029 28562 | info@dess.net
From the President 06

Golden Jubilee Best Wishes Messages 12

Theme Article on Sankalp Se Siddhi 64

Articles 69

Legal World 125

From the Government 135

News from the Institute 145

From the President

Golden Jubilee Best Wishes Messages

Theme Article on Sankalp Se Siddhi

Articles

Legal World

From the Government

News from the Institute

‘Chartered Secretary’ is normally published in the first week of every month. Non-receipt of any issue should be notified within that month. Articles on subjects of interest to company secretaries are welcome. Views expressed by contributors are their own and the Institute does not accept any responsibility. The Institute is not in any way responsible for the result of any action taken on the basis of the advertisements published in the journal. All rights reserved. No part of the journal may be reproduced or copied in any form by any means without the written permission of the Institute. The write ups of this issue are also available on the website of the Institute.

Edited, Printed & Published by

Dr. S.K. Dixit for The Institute of Company Secretaries of India, ‘ICSi House’, 22, Institutional Area, Lodi Road, New Delhi- 110 003.
Phones : 41504444, 45341000, Grams : 'COMPSEC'
Fax : 91-11-24626727
E-Mail : info@icsi.edu
Website : http://www.icsi.edu

Mode of Citation: CSJ (2017)(10/--- (Page No.)
1. SIRC – Hyderabad Chapter - Inauguration of ICSI Centre of Excellence, Hyderabad - Chief Guest M Venkaiah Naidu (Hon’ble Vice President of India) cutting the ribbon to mark the inauguration. To his right is Md. Mahmood Ali (Deputy CM of Telangana) and N V S S Prabhakar (MLA).

2. Chief Guest M Venkaiah Naidu with CS (Dr.) Shyam Agrawal, CS Ahalada Rao V and others on the occasion after unveiling the plaque.

3. A view of the dais shared by the Chief Guest and other dignitaries present on the occasion.

4. CS (Dr.) Shyam Agrawal presenting a planter to M Venkaiah Naidu.

5. Meeting of ICSI delegation with HRD Minister - CS (Dr.) Shyam Agrawal seen presenting a planter to Prakash Javadekar (Hon’ble HRD Minister). Also present on the occasion CS Ranjeet Kumar Pandey.


7. Meeting of ICSI delegation with Hon’ble Minister of State – Finance and Shipping – CS (Dr.) Shyam Agrawal and others in conversation with Pon Radhakrishnan (Hon’ble Minister of State - Finance & Shipping).

8. Meeting of ICSI delegation with Hon’ble Union Minister of State for Finance - CS (Dr.) Shyam Agrawal seen interacting with Shiv Pratap Shukla (Hon’ble Union Minister of State for Finance).
9. Invitation to Arjun Ram Meghwal (Hon’ble Union Minister of Water Resources, River Development and Ganga Rejuvenation and Parliamentary Affairs) for inauguration of Golden Jubilee Year Celebration of ICSI.

10. CS (Dr.) Shyam Agrawal seen inaugurating GST point at ICSI Hyderabad Chapter.

11. CS (Dr.) Shyam Agrawal, presenting SS-1 and SS-2 to Grace Tan (President, Corporate Secretaries International Association).

12. CS (Dr.) Shyam Agrawal, presenting SS-1 and SS-2 to Christianna Wood (Chairman of the Global Reporting Initiative).

13. CS (Dr.) Shyam Agrawal, presenting SS-1 and SS-2 to H.E. Jawed Ashraf (High Commissioner of India to the Republic of Singapore).

14-15. Fourth Meeting of ICSI-GST Core Advisory Group in progress under the chairmanship of Dr. Girish Ahuja.

16. Chief Guest CS Dr. M. S. Sahoo (Chairperson, IBBI) and other dignitaries take up the panel at valedictory function of Corporate Leadership Development Program (CLDP) – Sitting from Left: Dr. S.K. Jena, CS (Dr.) Shyam Agrawal, CS (Dr.) M.S. Sahoo, Manohar Thairani (President, Lloyd Law College) and CS Dinesh C Arora.

17. ICSI-BSE Joint PDP on SEBI (LODR), Revised Secretarial Standards and Secretarial Audit - Prof. K.V. Thomas, (Member of Parliament, Ernakulam) addressing.
My Valued ICSI Members

This is the quote our Hon'ble Prime Minister Sh. Narendra Modi ji often cites to quote magnificence of our Nation. This quote also makes me feel proud as the torch bearer of this Institute who has been continually supporting the cause of Nation building since last five decades almost. Yes, the moment has come, when all of us will be witnessing the inauguration of our Golden Jubilee Year Celebrations. What can be the better moment of proud for all of us that, as Hon'ble Prime Minister of India Sh. Narendra Modi will himself be inaugurating these Golden Jubilee Year celebrations today at Vigyan Bhawan, New Delhi and various dignitaries are also going to grace inaugural functions organized parallels across length and breadth of the country in our Regional Councils and Chapters today to make these celebrations historical indeed.

It is also a moment of glory as Hon'ble Prime Minister and Minister of Finance and Corporate Affairs Sh. Arun Jaitley have sent their best wishes for this occasion which have been shared with you along with messages of all national as well international dignitaries in this 1st Golden Jubilee Year special issue of Chartered Secretary. I am happy to share that the Team Chartered Secretary has put in their best to take our stakeholders down the memory lane on a voyage to the glorious journey of the Institute, letting all of us have a feel so that they are a part of this journey of five decades since the very beginning.

We are also happy to share that ICSI has come up with its Motto Song to be launched by Hon'ble Prime Minister on this Inaugural function of Golden Jubilee year, the lyrics of which cited hereunder, inspire every governance professional to work for the cause of Nation building:

उम्मीद के अंदर में हम... बनके खिले जो रोशनी... कह देगे हम संसार को, कोई लंबा ना-मुक्किन नहीं... ज्ञान के और न्याय के हर, रह को ध्यामे हुए... वल पड़े हैं हूँक कर, बस गीत ये गाते हुए... सत्य वद! धर्म चर!

कभी सुधि
कदमों की हर एक गुंज में, बस जीत का एहसास हो राह प्रगति पत्र पे हो... और आज-जब की आशा हो जब भी चले इस भाव से... खुलते गये हैं रास्ते... आजाज हमने दिन से दी है... गीत ये गाते हुए... सत्य वद! धर्म चर!

कभी सुधि
हर उद्घाट के रंग में... हर भारतीय हार हो... उद्यम हो या उद्योग हो... हर और अमन साम हो... जाना शिखर तक है हम... सच की कस्तूर धम कर... हम जीत के सुर छेड़े... गीत ये गाते हुए... सत्य वद! धर्म चर!
Today, on this propitious and monumental occasion, ICSI is also going to launch commemorative stamp at the gracious hands of Hon’ble Prime Minister.

Moving ahead, we feel pleased to share that Hon’ble Vice President of India, Shri Venkaiah Naidu, inaugurated ‘the ICSI Centre of Excellence’ at Hyderabad in the august presence of Md. Mahmood Ali, Dy. Chief Minister of Telangana as Guest of Honour. Vice President of India was pleased to inaugurate this Centre of Excellence of ICSI as it will cater to the needs of students of the Country. The full text of the speech of Hon’ble Vice President has been given in this issue.

In this Golden Jubilee Year, the focus of the issue has been derived from ‘Sankalp se Siddhi tak’ movement of Government of India. Prime Minister, Narendra Modi’s call for the creation of ‘New India’ has already generated good response among the youth of the nation. Within a span of 43 days, over 45,000 people have already taken the pledge of ‘Sankalp Se Siddhi’ for making of a ‘New India 2022’. As a part of this movement, the theme of this issue is ‘Let’s Universalize Treasured ‘Governance Mantras’ of Ancient Indian Literature’. Governance has been an integral part of Indian civilization since ages, the instances of which may be found in ancient Indian texts such as Ramayana, Mahabharta, Bhagvad Gita and many more. My appeal to all governance professionals is to take a deep dive to extract at least one pearl of Governance from this literature to make these Mantras universal.

ICSI team has been working to make this occasion memorable and has come with certain classic initiatives which will be inaugurated today such as:

- **Vision New ICSI 2022:** In line with Hon’ble Prime Minister Vision for ‘New India 2022’, ICSI and our members are to extend our ardent support to create a ‘New India’ by shaping a ‘New ICSI’. We are working on aligning our vision with Vision 2022 of Government of India and have come with a Vision New ICSI 2022 which is set to be released in our Golden Jubilee Celebration inaugural Function on 4th October 2017. This document is our ‘Sankalp’ to reach the ‘Siddhi’ of Nation building and support a ‘New India, New ICSI’.

- **Corporate Anti-Bribery Code:** It was observed by ICSI that due to want of clear-cut guidelines, the private sector lacks a well-formulated policy to check corruption and control the supply side of bribery emanating in their organisations. Supporting the ‘Corruption free India’ campaign of the Government of India, ICSI is recommending ‘Corporate Anti-Bribery Code’, to be adopted voluntarily by the private sector, to tackle the supply side of bribery in this sector. A unique initiative of sorts, the Code is driven by the objective of ensuring that neither the company nor any of its employees, directors or authorised representatives indulge in bribery in any of their actions taken for and on behalf of the company in the course of economic, financial or commercial activities of any kind.

- **Financial Literacy Campaign**

The Institute is actively engaged in activities relating to Financial Literacy and Investor Education. The Institute is pleased to launch financial literacy campaign across India educating elected public representatives i.e. Members of Rajya Sabha, Members of Lok Sabha, Members of Legislative Assembly in every state, Municipal Committee Councilors and Sarpanches at Rural Levels through our members and students.

- **A “Model Governance Code for Meetings of Gram Panchayats”**

Governing Pearls from Ancient Indian Wisdom:

Series of publications Satyam Vada, Dharmam Chara:

- As stated earlier, ICSI has taken a stride to promote Governance Mantra of our 5,000 years old Indian literature at international level. The Government of India had demonstrated its commitment to truthfulness by adopting official emblem of three lions after independence below which “Satyameva Jayate” is inscribed. Therefore, ICSI has come up with the first book in this series ‘Satyam Vada, Dharmam Chara – Governance Mantras in Bhagavad Gita’ which attempts to take out 51 priceless Governance Mantras uttered by Lord Krishna to his disciple Arjuna when he felt like renouncing his duty in the battlefield as the enemy group in that battle was formed of his own cousins. This book presents the learnings from Vedic scriptures with practical aspects for implementation in all spheres of life, professional and personal life front. In Vedic times, the executive head of a country used to be known as “Rajarshi” which denotes his working as Raja on the professional front and as Rishi on the personal front. “Satyam” and “Dharmam” are the essential ingredients for developing such perspective and approach. This booklet should be acting as a catalyst for developing such perspective in the modern context, thus providing a congenial atmosphere for our country
to progress in all fronts with Vedic foundation.

- **Exposure Draft containing Proposed Syllabus:** In line with ICSI’s commitment to keep its professionals updated with the developments of the changing environment at global environment, we have invited participation of all stakeholders i.e. Members, students, regulators, academicians, academic institutions, industry organizations/ associations and all other concerning the Exposure Draft of such Proposed Syllabus for Executive Programme and Professional Programme. We are sure that such a participation will ensure development of a curriculum that grooms and grills our upcoming governance professionals in such a manner that they turn up as global leaders setting up good governance practices.

- **Shaheed Ki Beti:** Understanding its social responsibility, ICSI has brought forth the ‘shaheed ki beti’ initiative. The scheme intends to assist the education of the daughters of the martyrs of the nation. To support the cause, the ICSI is discontinuing the practice of presenting memento/flower bouquet to dignitaries at various programmes organised by ICSI across the country. Instead, a Certificate will be issued to the dignitary acknowledging his benevolence for donating the cost of the memento towards “Shaheed Ki Beti” corpus.

- **Sabka saath sabka vikas – ICSI’s Pan-India Presence:** Imbibing the government’s agenda of ‘Sabka saath sabka vikas’, ICSI has established its presence in all the states including North-eastern sisters as well as Union Territories in the past few months, making professional education and one such as of the stature of Company Secretariatship, accessible to all. Now, we can proudly say that ICSI has been dedicated for the cause of ensuring good corporate governance in every nook and corner of India.

- **Shell companies:** Institute has formed a committee under the Chairmanship of CS Preeti Malhotra to look after aspects related to good governance in NGOs. Institute has also brought a publication keeping in mind the recent developments related to Shell Companies titled ‘Misuse of Corporate Structure – Prevention & Remedies’. I am confident that through this publication, ICSI shall play a crucial role in supporting Government of India in dealing with issues concerning Shell Companies.

**International Accomplishments**

- I am delighted to share that Malaysian Association of Company Secretaries (MACS), seeking ICSI’s cooperation, had expressed its desire to adopt the secretarial standards formulated by ICSI as approved by the Ministry of Corporate Affairs, Government of India under sub-section 10 of Section 118 of the Companies Act, 2013 for the purpose of benchmarking MACS own standards. On the matter being taken up by ICSI, The Ministry of Corporate Affairs has approved such request of the Malaysian Association of Company Secretaries (MACS). It is indeed a matter of pride for ICSI and its stakeholders. My compliments to all for this achievement.

- In line to our wholehearted support for “Vision New India”, the Institute is extending its association to persons/companies overseas with the guidance and facilitation on setting up business in India. Taking forward this initiative, recently we met the officials of various Indian Overseas Mission (Ambassador/ Consulate General etc.) We are pleased to inform you that High Commission of India at Kenya and High Commission of India at Malaysia has placed the link of ICSI’s website along with ICSI logo at its website https://www.hcinairobi.co.ke/ and https://www.indianhighcommission.com.my/respectively as mark to apprise the populace in respective countries with the ease and information on setting up business in India. Other Indian overseas mission also assured for placing of ICSI link at their website.

On a signing off note, on behalf of ICSI fraternity, I assure to the Nation that in this 50th Golden Jubilee year of ICSI, we the 50,000+ proud Company Secretaries of India following the Motto will continue to build a New ICSI and will ascend from Corporate Governance to National Governance. A New ICSI, which translates to me as

I: Institute of Company Secretaries of India (is)
C: Committed (to)
S: Serve
I: India

Happy reading!!

Best wishes.

Yours Sincerely

OCTOBER 04, 2017
New Delhi

[Signature]
1. Meetings with Dignitaries

Taking forward our pursuit for exploring opportunities for the profession and also for joint participation in flagship government initiatives, the Institute met the following dignitaries:

- Shri M. Venkaiah Naidu, Hon'ble Vice President of India
- Shri Prakash Javadekar, Hon'ble Union Minister of Human Resource and Development
- Shri Manohar Parrikar, Hon'ble Chief Minister of Goa
- Shri Shiv Pratap Shukla, Hon'ble Union Minister of State for Finance
- Shri Pon Radhakrishnan, Hon'ble Union Minister of State for Finance and Shipping
- Shri P.P. Chaudhary, Hon'ble Union Minister of State for Corporate Affairs, Law and Justice

2. ICSI@50: Revisiting Fifty Years of Professional Excellence

Good Governance is a golden pathway to the New India 2022 and the Institute of Company Secretary of India is serving its professional excellence as a Golden charioteer for good governance. Proudly, beholding the legacy of the Institute in serving profession excellence in governance at par with global parameters, the Institute is opening the celebration of its Golden Jubilee with kind consent of our Honourable Prime Minister of India, Shri Narendra Modi ji to inaugurate the event on October 4, 2017 at Vigyan Bhawan, New Delhi. To enable the stakeholders to revisit and rejoice the honoured prospects, landmark achievements and feats in 50 years of the glorious journey of the Institute, the candid and momentous initiatives of the Institute are shared at the social networking platforms of the Institute as a ready reference.


45th National Convention of Company Secretaries is scheduled to be held at Al Saj Convention Centre, Thiruvananthapuram (Trivandrum), Kerala during November 22-24, 2017 on the theme, “Company Secretary: Shaping New India 2022 Through Good Governance”. The theme of the National Convention would be deliberated in six technical sessions, viz., (i) GST – Good and Simple Tax – A progressive reform towards Economic Growth; (ii) Insolvency and Bankruptcy Code – World of New Opportunities – Prepare to Excel; (iii) Life Skills / Management Skills – Governance Professional – Driving your Business to Success; (iv) New India – New ICSI; (v) NCLT – New Horizons of the Profession and Tasks Ahead; (v) Governance from Ancient Indian Scriptures. The Convention will begin with the Opening Plenary at 2:00 pm on November 22, 2017 and conclude with Interactive Session for ICSI Members from 3:00 PM onwards on November 24, 2017. Details about the registration procedure, participation fee along with tentative programme schedule, etc. Are available on the Institute’s website and have also been published elsewhere in this issue.

4. Malaysian Association of Company Secretaries (MACS) to adopt the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI)

In a historic move confirming the global leadership of the Institute as a premier body in serving professional excellence towards governance at par, recently, the Malaysian Association of Company Secretaries (MACS), seeking ICSI’s cooperation, had expressed its desire to adopt the Secretarial Standards formulated by the Institute, and approved by the Government of India, for the purpose of benchmarking MACS own Standards. Subsequently, the Ministry of Corporate Affairs has approved the request for adoption of the ICSI's Secretarial Standards by MACS. The MCA while approving the same has stated in its Press Release that it is a matter of great pride that Indian Standards are to be adopted/benchmarked by a foreign sister institution in the course of formulation of their own similar standards.

5. Inauguration of ICSI Centre of Excellence, Hyderabad

Captivating our legacy forward in empowering world class research, training and learning in governance with a specific focus on corporate governance in the domestic as well international sphere, the Institute beheld the inauguration of ICSI Centre of Excellence at Hyderabad on September 16, 2017 through the gracious hands of Shri Venkaiah Naidu, Hon'ble Vice President of India as the chief guest, in the august presence of Shri Md. Mohamood Ali, Dy. Chief Minister of Telangana as Guest of Honour.

6. Corporate Anti Bribery Code

Comprehending the significance, transparency and accountability in suitably placing an inclusive culture of good governance in New India 2022, the government mandates the practices of curbing corruption and eliminating black money at the utmost precedence. Prime Minister Shri Narendra Modi has gone full throttle to fight this menace, starting from setting up of a Special Investigation Team (SIT), Foreign Assets Declaration Scheme, renegotiation of bilateral treaties on Double Taxation Avoidance Agreement (DTAA) with Mauritius, Cyprus and Singapore, Income Disclosure Scheme (IDS) 1 and 2, Benami Transactions (Prohibition) (Amendment) Act, 2006, Demonetisation, Deregistration of Shell Companies and Goods and Services Tax.

The Institute conducted a survey of the corporate sector and found that due to want of clear-cut guidelines, the private sector lacks a well-formulated policy to check corruption and control the supply side of bribery emanating in their organisations. Accordingly, the Institute proposes to release a publication on “Corporate Anti Bribery Code” on October 4, 2017 on the occasion of the commencement of Golden Jubilee Celebration of the ICSI.

7. ICSI Swachhata Pledge

As you are aware the Institute has been dynamic in rendering its dedicated support to government initiatives for nation building. Moving forward with our commitment to serve the nation towards the effective realization of vision New India
2022, the Institute commemorate the 3rd Anniversary of Swachhta Abhiyan by observing the Swachhta Pledge towards a cleaner and prosperous India.

8. Exposure Draft of ICSI Auditing Standards
In view of recognising the need to provide support to its members to develop the auditing acumen, techniques and tools along with the inculcation of best auditing practices, the Institute constituted Auditing Standards Board (ASB) with the objective of formulating Auditing Standards (AS) of the ICSI. Accordingly, the Board has brought out Exposure Drafts of four Auditing Standards on Audit Engagement, Audit Process and Documentation, Forming of Opinion and Secretarial Audit. The text of these exposure drafts have been placed on the website of the Institute for public comments with the last date for such submission being September 30, 2017.

9. Exposure Draft on Proposed New Syllabus
The revision of syllabus is a continuous process towards capacity building, knowledge enhancement and skills development of the students. Under the context of emerging trends in arena of the compliance and governance along with corporate world, at Institute, we considered this as an opportunity to leverage the rapidly changing and more enabling external environment to the best advantage of all our stakeholders and thus adopted 360 Degree holistic approach during syllabus review exercise. Accordingly a well-reviewed proposed Syllabus has been developed after extensive deliberations and brainstorming, adopting 360 degree approach by Core Group on Vision New ICSI 2022, on approval by the Syllabus Review Board, Exposure Draft containing Proposed Syllabus for Executive Programme and Professional Programme was placed at the Institute’s website for public comments for views and suggestions of all stakeholders including members, students, regulators, academicians, academic institutions, industry organizations/ associations and other related stakeholders.

10. Support to Foreign Investors for setting up business in India
The Institute is dedicated to the service of the Nation while establishing, promoting and sustaining the global parameters of governance. With this, the Institute is persistently supporting the Government of India in its pursuits towards nation building. In line to our whole hearted support for “Vision New India”, the Institute is extending its association to persons/companies overseas with the guidance and facilitation on setting up business in India. Consequent upon the Institute’s standing at the official website of High Commission of India at Kenya, now the High Commission of India at Malaysia has placed the link of ICSI’s website along with ICSI logo at its website https://www.hcinairobi.co.ke and https://www.indianhighcommission.com.my respectively to apprise the corporates in respective countries about the ease of setting up business in India. Other Indian overseas missions have also assured for placing of ICSI link at their website.

11. London Global Convention
The Institute has joined hands with the Institute of Directors (IOD) as an Associate Partner in organizing the annual ‘17th London Global Convention 2017’ which is scheduled to take place on October 25-27, 2017, at Millennium Hotel, Mayfair London.

The Institute organises webinar series “Enable, Evaluate, Excel” on a regular basis for members to revive, refresh and sharpen their knowledge on the Companies Act, 2013 and provide them an opportunity for self-evaluation of their knowledge on the subject and to prepare them for future challenges. In the month of September, the 16th session of this series was taken by CS B. Renganath on Issue of Securities, Right Issue, Private placement, Preferential Allotment and the 17th session, dedicated to Powers of Board, Loan to Directors, Loan & Investment by Company and was taken up by CS Narayan Shankar, Executive VP & CS, Mahindra & Mahindra Limited, respectively.

13. Seminar on Insolvency and Bankruptcy Code – Paradigm shift in New Era
The legal framework for insolvency resolution in India underwent a structural change with the enactment of Insolvency and Bankruptcy Code, 2016. There are certain areas of the Code which require clear insight and precision. To help professionals and industry to gain an understanding and insight into provisions of the Code besides their practical implications, a seminar was organized on Insolvency and Bankruptcy Code – Paradigm shift in New Era in collaboration with the Corporate Affairs Committee of PHD Chamber on September 20, 2017 at New Delhi.

14. Webinar on Impact Analysis of Revised Secretarial Standards
To create awareness about the revised Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meetings (SS-2), set to be effective from October 1, 2017, the Institute organized a webinar on Impact Analysis of Revised Secretarial Standards on September 1, 2017.

15. GST POINT
With the objective of rendering hand in hand support to the government for ensuring effective implementation of GST Laws and to advance various initiatives of the Institute to educate the public at large about the diverse facts and facets of Goods and Services Tax (GST), the Institute had launched a GST POINT as a uniform platform to reply to the queries, difficulties and challenges faced by consumers, manufacturers, traders, MSMEs, public at large, professionals, etc. in understanding and implementation of the Goods and Services Tax Law. So far, Thirty (30) sessions of GST POINT have successfully been completed with the latest being hosted on September 22, 2017 and has been receiving a tremendous response from all stakeholders. The queries received and answered by experts cover a wide range of topics including registration, filing, and input tax credit along with other GST modalities.

16. GST POINT Counters
With a view to resolve the queries of the stakeholders ensuring effective and efficient application and implementation of GST and related aspects, the Institute simultaneously set up various physical GST POINT Counters at its Regional Councils and Chapter Offices of the Institute.

17. Training Programme to empanel Peer Reviewers
In order to ensure that the objectives of the Peer Review
are achieved in letter and spirit and the Reviewers are duly equipped with the thorough understanding and indulgence of the procedure, manner, prescriptions, guidelines and other related aspects of conducting Peer Review, the Institute regularly conducts training programmes to empanel more Peer Reviewers. In this direction, a Training Programme to empanel Peer Reviewers was conducted at SIRO – Chennai on September 22, 2017. More such Training Programmes have been scheduled in the days to come.

18. ICSI Corporate Leadership Development Program
As you are aware that the Institute has come up with 45 days residential Corporate Leadership Development Program to create a comprehensive, streamlined, skill based facilitative training experience to prepare members to enhance their career opportunities and vigour in entailing the openings in organizations. Registering the successful conclusion of first ever program of its kind, the Valedictory function of Corporate Leadership Development Program was organized on September 14, 2017 at the Auditorium of ICSI House, Noida in the august presence of Chief Guest, Dr. M. S. Sahoo, Chairperson of the Insolvency and Bankruptcy Board of India, CS. (Dr.) Shyam Agrawal, President ICSI and Shri Manohar Thairani, President Lloyd Law College.

19. ICSI IPA – First Study Circle Meet of Insolvency Professionals
ICSI Insolvency Professionals Agency organized its First Study Circle Meet of Insolvency Professionals on September 23, 2017 at Delhi, extensively covering significant aspects of professional services related to insolvency and bankruptcy including factors determining IRP/RP fee, rights, duties and liabilities of RP, areas requiring clarifications such as timeline for issuing Public Announcement and the type of newspaper to be chosen for same, Police protection for IRP/RP during CIRP process and alike.

20. 18th All India Students’ Conference
As you are aware that in order to build the capacities of its students in the emerging trends of compliance and governance, the Institute organizes All India Students’ Conferences on the contemporary themes of professional interest. This year, the 18th All India Students’ Conference took place on the theme of “CS Youth: Shaping new paradigms in Governance” at Jaipur on September 25, 2017. Eminent speakers from industry and academia addressed the participants along with facilitating a unique opportunity to the students to enhance their academic, conceptual and interpersonal skills.

21. ICSI Mega Career Awareness Program
The Institute has recently organized a Mega Career Awareness Program to sensitize the students about significance of the Company Secretaryship Course in the contemporary and emerging world of sustainable governance. The program successfully deliberated on the detailed aspects of vision New India, 2022 and GST inter-alia and has witnessed the participation of around 1300 students in the august presence of CS (Dr.) Shyam Agrawal, President, ICSI.

22. ICSI Study Centre Scheme
As you are aware that in order to break the distance barrier for students belonging to cities / locations in which the representative offices of the Institute are not in existence, the Institute has come up with the Study Centre Scheme, wherein so far Fifty Five (55) Study Centers have been established in different locations in collaboration with reputed academic institutions and universities. Few more study centres have been established in the month of September 2017 at the following institutions:

- Jaikranti Arts & Commerce Senior College, Sitaram Nagar, Latur
- Paratibha Niketan Mahavidyalaya, Banda Ghat Road, Vazirabad, Nanded
- Shri Pragya Mahavidyalaya, Beawar Road, Bijainagar, Ajmer, Rajasthan
- RRMMK Arya Mahila Maha Vidyalaya, Shahpur Chowk, Near Kabir Chowk, Pathankot, Punjab

23. ICSI Signature Award Scheme
In view to felicitate the top rank holders in B.Com. Final Examinations in reputed universities and also specialised programmes/ papers of IITs / IIMs with the award of a Gold Medal and a Certificate, the Institute initiated the ICSI Signature Award Scheme. So far, ICSI Signature Award has been instituted in Seventeen (17) Universities. Along with the award of Eight (08) Gold Medals under this scheme. In further strengthening this scheme in the month of September 2017, one more MoU on ICSI Signature Award have been signed with Dr. B. R. Ambedkar University, Srikakulam, Andhra Pradesh.

24. Girisagar Vidyarthi Vikas Yojana – Opening of Study Centres
The Institute has launched its ICSI Giri Sagar Vidhyarthi Vikas Yojana duly launched on July 1, 2017 at Vadodara with the objective to create visibility and presence of the Institute among the students, schools and colleges pan India, initially with a focus on Hilly and Coastal Cities endorsing the huge potential for the growth of the profession. So far, eight (08) study centres have been established under the scheme. Taking this initiative forward in letter and spirit, Institute signed another MOU with Hemwati Nandan Bahuguna Garhwal University, Srinagar, Uttarakhand to open a centre under the ICSI Giri Sagar Vidhyarthi Vikas Yojana.

25. Advanced IT Services
To serve its stakeholders effectively and efficiently with maximum ease to access the services of the Institute, it has been persistently keeping pace with advanced technologies. In order to strengthen digital platform, the technological advancements taken place in the month of September, 2017 are as below:

- E-Library services for ROs/CCGRT/A & A+ Chapters renewed
- Migration of the 6000 Students of Foundation Programme under New Syllabus (2017) to E-learning Platform
- Around 2000 fresh members registered for E-Lib CLA Online
- Renovation of Regulatory Orders Page.
- Developed and Advanced webpage for ICSI Golden Jubilee with day-to-day content upload options.
- Developed webpage for 18th All India Student National Conference with day-to-day content upload options.
MESSAGE

I am extremely pleased to know that the Institute of Company Secretaries of India (ICSI) is celebrating its Golden Jubilee on 4th October, 2017.

It is indeed a major milestone in the journey of ICSI which has been set up for the regulation and development of the company secretaries’ profession in India and to offer education to students.

It is a moment of pride and also provides an opportunity to chalk out a road map for realizing the Institute’s vision to become a global leader in Good Corporate Governance.

New Delhi
01st September, 2017

(M. Venkaiah Naidu)
Prime Minister

MESSAGE

I am happy to know that the Golden Jubilee of The Institute of Company Secretaries of India (ICSI) is being celebrated on 4th October, 2017. Greetings and congratulations to all its members on this momentous occasion.

The ICSI has been performing an exemplary role as a premier national body in the development and regulation of the profession of company secretaries in India. By the constant update of its curriculum and its emphasis on professional uprightness, it has contributed in creating an ecosystem which ensures the legal integrity in our Corporate Governance.

I hope that the ICSI will play its significant role in creating a New India fulfilling the aspirations of 1.25 billion Indians for a corruption free and prosperous India.

Best wishes for the Golden Jubilee celebrations planned across the country by the members of the ICSI. Good wishes also for its future endeavours.

(Narendra Modi)

New Delhi
25 September, 2017

CS (Dr.) Shyam Agrawal
President
The Institute of Company Secretaries of India
New Delhi
MESSAGE

I am happy to learn that the Institute of Company Secretaries of India is releasing the Corporate Anti-Bribery Code on the occasion of its Golden Jubilee Year Celebrations on October 4, 2017 at Vigyan Bhawan, New Delhi.

Strengthened by the support of 125 crore Indians, India has become one of the bright spots in the global economy. Our country has seen economic development since independence, but due to corruption and leakages in the system, a large chunk of our population, particularly, people from the poor sections and in the remote geographical areas, have been excluded from this process.

Transparency and accountability provide the pillars for good governance, forming the foundation for economic transformation. Our government, since its inception, has taken several initiatives with the objective of curbing corruption and eliminating black money.

A corruption-free business environment alone can bring Ease of Doing Business and create a level playing field.

I am happy to know that the Institute of Company Secretaries of India, a premier institution, will be creating awareness within the private sector to adopt The Corporate Anti-Bribery Code voluntarily and help in fighting corruption and malpractices in the corporate environment. I congratulate the Institute, its president Dr. Shyam Agarwal, Shri Gopal Krishna Agrawal and their teams for this initiative.

(Narendra Modi)

New Delhi
26 September, 2017
September 11, 2017

MESSAGE

I congratulate the Institute of Company Secretaries of India (ICSI) of its Golden Jubilee Celebration. I am sure that ICSI will keep playing a crucial role in promoting good corporate governance and thereby helping in creating a transparent, efficient and effective system.

The contribution of ICSI is worth appreciating as far as achieving the present Government’s target of creating a corruption free environment for the Corporate Sector is concerned.

I convey my best wishes for the Success of ICSI’s Golden Jubilee Celebration scheduled to be held on October 4, 2017.

(ARUN JAITLEY)
MESSAGE

Golden Jubilee of the Institute of Company Secretaries of India (ICSI) is a moment of pride and an opportunity to celebrate the efforts of the Institute towards making India a world leader in corporate governance. I congratulate the entire team of ICSI on this occasion and thank them for their active participation in nation building initiatives.

(Ravi Shankar Prasad)
MESSAGE

I am pleased to know that ICSI is completing its 49 magnificent years and entering its Golden Jubilee year on 4th October, 2017. I extend my best wishes to the officials, members, students and all those associated with this journey and wish the golden jubilee celebration a grand success and appreciate ICSI for supporting Government’s key initiatives as a pro active partner in the growth of the nation.

(Suresh Prabhu)
MESSAGE

Many congratulations to Institute of Company Secretaries of India for its glorious journey of 50 years so far as a true torch bearer of good corporate Governance so efficiently, and so diligently.

I have appreciations for Institute of Company Secretaries of India (ICSI) for supporting Government’s key initiatives as a pro active partner in the growth of the nation.

(PRAKASH JAVADEKAR)
Message

I am delighted to note that the Institute of Company Secretaries of India (ICSI) is celebrating its Golden Jubilee Year on 4th October, 2017. It has been a glorious journey of 50 years for the organisation of regulating and developing the profession in India.

Company Secretaries play an important role in the corporate sector by ensuring and facilitating corporate governance, business ethics and corporate social responsibility. In this context, ICSI’s motto of “Satyam Vada, Dharmam Chara” meaning “Speak the truth, abide by the law” is important in inculcating values and professionalism in Company Secretaries.

I wish ICSI will keep on guiding its professionals to establish best governance practices in the corporate sector, and contribute to the mission and vision of Hon’ble Prime Minister Shri Narendra Modi of ‘New India’.

Piyush Goyal
Heartiest congratulations to the Institute of Company Secretaries of India (ICSI) on completion of its glorious journey of 50 years as a leading torch-bearer in the sphere of corporate governance in the country.

I hope that ICSI continues to play a proactive role in contributing for the various causes of nation building espoused by the Government of India.

My best wishes for their future endeavours.

(P.P. CHAUDHARY)
Message

I am delighted to know that the Institute of Company Secretaries of India is soon completing 49 years of its service to the Nation and will be entering into its golden jubilee year.

I would like to congratulate the Institute for enrolling 50,000 members & around 4 lakh students so far, as part of its continued endeavours for the Indian Corporate Sector.

As larger and larger corporatization of Indian business is taking place, it is absolutely necessary that they are run on professional lines. The Institute must, therefore, strive to empower its members to achieve greater professional heights by enhancing the quality standards and reaffirming commitment to the highest standards of professional excellence & transparency. I hope the Institute will be successful in achieving its goal to be a Global leader in promoting good corporate governance and would make India proud.

I wish a big success to all the members & the students of this Institution in their future endeavours too.

(C.R. Chaudhary)
MESSAGE

I am very much happy to know that the Institute of Company Secretaries of India (ICSI) is organizing a function to commemorate Golden Jubilee year on Wednesday, the 4th October 2017. I am sure that ICSI has all potential and expertise of professional excellence in helping the young generation of the society to achieve their goals.

I wish the event a grand success.

(Pon. Radhakrishnan)

Dr. Shyam Agrawal
President
The Institute of Company Secretaries of India
22, Institutional Area, Lodi Road
New Delhi - 110 003
Dear Dr. Shyam Agrawal,

I am really grateful to you for the kind invitation for the inauguration of Golden Jubilee Year of The Institute of Company Secretaries of India on October 4, 2017 at Vigyan Bhawan.

This is one of the largest organisations of professionals possessing vast domain knowledge in the country. I am sure the institute will keep on serving all the relevant stakeholders with distinction under your stewardship.

Yours sincerely,

(Sunil Arora)

Dr. Shyam Agrawal
President
The Institute of Company Secretaries of India
ICSI House, 22, Institutional Area
Lodi Road
New Delhi – 110 003
ICSI has completed a long successful journey and I heartily congratulate ICSI and its members on the occasion of its Golden Jubilee celebrations.

Enforcement against anti-competitive agreements including cartels and bid-rigging remain CCI’s top priority. Such violations raise a presumption of causing anti-competitive harm under the Act. Our general approach is to deter them through penalties as well as to use the Lesser Penalty (Leniency) Provisions to encourage enterprises to cooperate in uncovering the cartels.

Company Secretaries are flag bearers of good corporate governance. They have the prime responsibility of ensuring compliance with laws of the land including competition law. It is legitimate then to expect that company secretaries implement robust competition compliance programme in their organizations to avoid the risk of violation of the Competition Act, knowingly or unknowingly.

ICSI is assisting the Commission in competition advocacy and an MOU is in place between CCI and ICSI. I look forward to a healthy and participative collaboration in the times to come.

I take this opportunity to wish the ICSI and its members all the success in their endeavor.

(Devender K. Sikri)
Chairperson, Competition Commission of India
Dear Dr Agrawal

Heartiest congratulations to the Institute of Company Secretaries of India (ICSI) on your 50th corporate anniversary. You and your council have led ICSI through good and bad times. Great work is done by people who are not afraid to take on leadership. According to this maxim ICSI has embraced this for many years.

Durability, reliability and trust are still the values that make an organisation successful. It is also a sign of trust and continuity when an organisation celebrates its anniversary. And this is demonstrated by your members’ unstintingly support of ICSI as well as the regulatory authorities.

ICSI has been on the top of the list for serving the business community. With ICSI’s commitment and sincerity, you have proved your worth and gained the much deserved recognition. And for your services, the community has gained a lot. ICSI provides a learning platform for its students and also offer a growing career progression for members.

Corporate Secretaries International Association’s (CSIA) vision is to be the Global Voice of Corporate Secretaries and Governance Professionals. Its Mission is to enhance the recognition and visibility of the Corporate Secretary and Governance Professionals by the relevant regulatory authorities within our member countries.

CSIA’s on-going efforts to promote the professional status of corporate secretaries and governance professionals is to be visible and on the radar of NGO’s such as World Trade Organisation (WTO), Organisation of Economic and Cooperation and Development (OECD) and Corporate Registers Forum (CRF).

On behalf of CSIA and its members, we extend our heartiest congratulations to ICSI and its members for 50 glorious years of success. CSIA is honoured to have ICSI as one of our valued members.

We wish ICSI and its members all the success for many more years to come. And at CSIA, we look forward to working closely with ICSI in the promotion of the corporate secretary’s profession locally, regionally and globally.

Yours sincerely

Grace Tan FCIS, FCS
President
Corporate Secretaries International Association (CSIA)
26 September 2017
Dear Dr Agrawal

It is my great pleasure to take this opportunity to extend my heartfelt congratulations to the Institute of Company Secretaries of India (ICSI) for celebrating the Golden Jubilee Year of the inauguration of the Institute on 4 October 2017.

The Institute has made great strides in its mission to develop high calibre professionals facilitating good Corporate Governance as is evidenced by the enrolment of 52,000 members and 400,000 students with the Institute. Through its dedicated work in raising the profile of the corporate secretary and promoting good governance, the conversion of the institute to a statutory body regulating corporate secretaries in India has also earned the Institute the well-deserved recognition of the government of India.

The introduction of the Companies Act in 2013 has raised the bar for Boards in India and strengthened the foundation for good governance in companies in India. Globally, there is an increased realization and acceptability that good corporate governance is a means to create a business environment of trust, transparency and accountability in order to support investment, financial stability and sustainable economic growth.

With the change in the dynamics of the boardroom also came the realization by chairmen and directors that the responsibilities of the modern day company secretary have evolved to having responsibility for the organisation’s corporate governance. This specialised role of the modern company secretary has emerged to position them as one of the key governance professionals within the organisation.

Corporate Secretaries International Association (CSIA) is the Global Voice of Corporate Secretaries and Governance Professionals and our purpose is to create a global profession that develops, grows and promotes best practice in corporate secretarial, corporate governance and compliance services by improving professional standards, the quality of governance practice and organizational performance.

As such we are proud to have ICSI as one of the association’s fourteen global members and to work with an institute that has achieved such laudable success in promoting good governance practices and enhancing the profile of the professionals who serve as corporate secretaries and governance professionals.

CSIA is actively engaged in creating a global professional association enabling industry professionals globally to work more effective together to shape corporate governance and develop unified best practice. We can only succeed by building on the strengths of national organisations such as ICSI and the CSIA member community.

We look forward to continue working with ICSI to create one global profession and one authoritative and coordinated global voice for corporate secretaries and governance professionals and we wish you every success for the next 50 years and many more years to come.

Best regards

Zahra Cassim
Chief Executive Officer (CSIA)
MESSAGE

IČSA: The Governance Institute message to The Institute of Company Secretaries (ICSI) on the inauguration of the ICSI’s Golden Jubilee Year Celebrations on 4 October 2017

On behalf of IČSA: The Governance Institute (the UKRIAT division of the Institute of Chartered Secretaries and Administrators(ICSA)), John Heaton, President and Simon Osborne, Chief Executive hereby offer heartfelt congratulations to The Institute of Company Secretaries of India on the occasion of their Golden Jubilee Year celebrations.

Since the ICSI was incorporated as a company limited by guarantee on 4 October 1968, and subsequently made a statutory body by the Parliament under Company Secretaries Act 1980, it has made great advances in the regulation and development of the company secretarial profession in India. Its large and thriving membership is actively engaged in ensuring good governance practices in corporate India and the number of students on its rolls bears witness to the high standing of the institute and of the profession.

We are delighted to offer our congratulations to a fellow institute that is working so tirelessly to promote good governance for the benefit of all in the corporate world.

Simon Osborne FCIS
Chief Executive, IČSA: The Governance Institute
John Heaton FCIS
UKRIAT President

Dear Dr Agrawal

We at Chartered Secretaries Southern Africa (CSSA) would like to extend our sincere congratulations to the Institute of Company Secretaries of India (ICSI) on its Golden Jubilee Year celebrations. This truly is a remarkable and prestigious achievement worthy of utmost praise and applause. CSSA continues to enjoy an excellent relationship with ICSI and holds dear the memories of the numerous Corporate Secretaries International Association (CSIA) meetings in which we both participated since its founding in March 2010. We continue to hold hands as we strengthen the profession of company secretaries and governance professionals throughout the world. We wish ICSI well on its continued journey of ensuring the practice of good governance.

Stephen Sadie
Chief Executive Officer
Message

On behalf of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), I am pleased to extend my heartiest congratulations to The Institute of Company Secretaries of India (ICSI) on the occasion of your Golden Jubilee Year. Since its inception on 4 October 1968 by the Government of India, ICSI has grown from strength to strength with your many achievements in and contributions to good corporate governance and practices. Your untiring endeavours in promoting the profession of the company secretary has won the Institute wide recognition and ICSI now stands proud as a statutory body under the Company Secretaries Act 1980 passed by the Parliament of India. We at MAICSA are grateful for the close working relationship that exists between ICSI and MAICSA and look forward to this continuing for many years in the future.

Once again, we congratulate ICSI on this important milestone and extend our best wishes to all members and students of ICSI.

Dato Heng Ji Keng FCIS
President
The Malaysian Institute of Chartered Secretaries and Administrators

The Institute of Certified Public Secretaries of Kenya, ICPSK, joins the rest of the world in congratulating ICSI on the auspicious occasion of their Golden Jubilee. ICPSK appreciates the support received from ICSI over the years on issues of promoting governance and looks forward to continued future collaboration. Congratulations and best wishes to ICSI and to the governance profession.

CS Tom Omariba
Chairman, ICPSK
Nairobi, Kenya
ICSAN’S GOODWILL MESSAGE FOR ICSI @50

The Governing Council of the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN), on behalf of the entire ICSAN Membership in Nigeria and in the diaspora, hereby felicitates with the Institute of Company Secretaries of India (ICSI) on the occasion of her Golden Jubilee being celebrated today, Wednesday, October 4, 2017.

We have always seen ICSI as a respectable sister organisation which, like ICSAN in Nigeria, has consistently been in the vanguard of entrenchment of Corporate Governance and promotion of Corporate Secretarialship promotion.

ICSAN has observed with utter delight the leading role ICSI is playing in India by expanding the frontiers of our cherished profession.

Notably, the fledgling function of performing Secretarial Audit, which your Members have assumed under the India Company Law of 2013, is an example of stretching the relevance and the utilitarian value of Chartered Secretarialship beyond the conventional boundaries, which is worthy of global emulation.

We sincerely share the sense of euphoria, accomplishment, fulfilment and optimism for future that comes with Golden Jubilee of a reputable professional institute like years, having just celebrated our own 50 years of existence last year.

ICSAN wishes ICSI fruitful and fulfilling years ahead as you continue to break new frontiers on the growth and development of the profession in India and globally.

Happy Golden Jubilee!

Nkachi Otyenso (Mrs) FCIS
Registrar/Chief Executive
29 September 2017

CS (Dr.) Shyam Agrawal
The President
The Institute of Company Secretaries of India
ICSI House, 22 Institutional Area
Lodhi Road
New Delhi
India

Dear CS (Dr.) Shyam Agrawal

Golden Jubilee Year Celebration of the ICSI

On behalf of The Hong Kong Institute of Chartered Secretaries, I would like to extend our heartiest congratulations on the Golden Jubilee Year Celebration of The Institute of Company Secretaries of India (ICSI).

ICSI's contribution in good governance practices in India since your establishment has been profound. Please accept my best wishes for your Golden Jubilee Year Celebration and the continuous success of the Institute.

Yours sincerely

Samantha Suen FCIS FCS(PE)
Chief Executive
The Hong Kong Institute of Chartered Secretaries
ICSI MILESTONES: GLIMPSES OF A GLORIOUS JOURNEY
Evolution of the Profession of Company Secretaries

The Companies Bill was introduced in Parliament in the year 1953, where many Members of Parliament were of the view that there should be a provision in the Companies Act analogous to section 177 of the UK Companies Act, requiring every company to have a Secretary.

The then Finance Minister Mr. C D Deshmukh assured the Parliament that it will be the Government’s endeavour to build up the profession of Company Secretaries, however he opined that it would be premature to make any mandatory provision without adequate number of professional Company Secretaries in the Country.

ICSI - Marching Ahead

In 1953, the then Finance Secretary, Mr. D.L. Mazumdar (ICS) observed “Just as the Modern Government cannot be run without the secretariat, similarly no modern company management can be carried on without a Company Secretary: that is our conviction and I take it that there is justification for striving to evolve for an All India Institution of Company Secretaries”.

This exhortation received unanimous support to set up the Institute of Company Secretaries as an Autonomous organisation.
Certificate of Incorporation

4 October, 1968

Under Section 25 of the Companies Act 1956

FIRST EXAMINATION

The Institute conducted the first examination leading to the Associate Membership of the Institute in April, 1969 under the guidance of the then Secretary, Mr. P B Saharia.
REGIONAL COUNCILS
Regulation for the setting up of the four Regional Councils was approved by the Council on 29th June 1971.
First Convention of ICSI

The First Convention of Company Secretaries was organised in New Delhi on 22-23 September, 1972. The convention was inaugurated by the then Hon'ble President of India Mr. V.V Giri.
Establishment of ICSI Headquarters at New Delhi

The Foundation Stone of ‘ICSI House’ was laid by the Hon’ble President of India Mr. N. Sanjiva Reddy on 21st March, 1979. The ‘ICSI House’ was inaugurated by Mr. M Hidayatullah, Hon’ble Vice-President of India on 31st October, 1981. The Institute started functioning from its Headquarters at the “ICSI House” Lodhi Road from 27th January, 1982.

Statutory Recognition

1st January - UDIA DIVAS
The Day of Statutory Recognition

In 1980, the Government moved the Company Secretaries Bill, 1980 to convert the Institute into a Statutory body. The Institute has since been converted into a statutory body w.e.f. 1.1.1981 under the Company Secretaries Act, 1980 (56 of 1980) to regulate and develop the profession of Company Secretaries.

CS MEMBERSHIP

In 1981 the CS membership qualification received recognition for all grades of Appointment of Central Company Law Service and for certificates under the Import and Export Policy regulations, Central Excise and Salt Act, Customs Act, Gold (Control) Act and by many State Financial Institutions.
Company Secretary in Whole-Time Practice

The Companies (Amendment) Act, 1988 recognised Company Secretaries in whole-time practice and certificates of Compliance for incorporation of a Company, Commencement of Business and fulfilling requirements of Schedule XIII pertaining to managerial appointment and remuneration by Company Secretary in Whole-Time practice. The Act also provided an exclusive area of practice for signing of Annual Returns of listed companies.

VISION
"To be a global leader in promoting good corporate governance"

MISSION
"To develop high calibre professionals facilitating good corporate governance"

ICSI MILESTONES: GLIMPSES OF A GLORIOUS JOURNEY

Inauguration of CCGRT of ICSI

Centre for Corporate Research and Training was inaugurated on 16th May, 1999 at Navi Mumbai by Hon’ble Chief Justice of India (Dr.) A S Anand, Hon’ble Justice Mr. MN Venkatachaliah, Chairperson National Human Rights Commission presided over the function.

VISION
"To be a global leader in promoting good corporate governance"

MISSION
"To develop high calibre professionals facilitating good corporate governance"
ICSI National Awards

First ICSI National Awards for Excellence in Corporate Governance

The First ICSI National Awards for Excellence in Corporate Governance for the year 2001 were presented on November 19, 2001 to Infosys Technologies Ltd. and BSES Limited.

First Life Time Achievement Award for translating Corporate Governance into reality

The Institute has also instituted the ICSI Life Time Achievement Award for translating Corporate Governance into reality. For the year 2001, the Life Time Achievement Award was bestowed on (i) Dr. V Kurien, Chairman Emeritus, National Development Board; and (ii) Rai Bahadur M.S. Oberoi, Chairman, The Oberoi Group of companies.

ICSI MILESTONES: Glimpses of A Glorious Journey
Company Secretary
A Key Managerial Personnel

The Companies Act, 2013 confers a special status to CS as the Key Managerial Personnel (KMP) and has placed him along with the MD/CEO/WTO/CFO.

New Logo of ICSI & Logo for Members

The new Logo and Masthead of ICSI & Logo for Members were unveiled by Shri M. Hamid Ansari, the then Hon’ble Vice President of India on 20th December, 2008 at Vigyan Bhawan, New Delhi.
Insolvency Professionals (IP) & Insolvency Professional Agency (IPA)

The ICSI Insolvency Professionals Agency (ICSI-IPA) a section 8 Company incorporated under the Companies Act, 2013 and formed by the Institute of Company Secretaries of India. The Company is registered as an Insolvency Professional Agency with Insolvency and Bankruptcy Board of India to enroll and regulate the members practising as Insolvency Professionals (IPs) in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 read with rules and regulations made thereunder.

Company Secretaries having ten years experience are eligible to practice as Insolvency Professional after passing Limited Insolvency Examination.
Secretarial Audit
[Section 204(1) of Companies Act, 2013]

Pursuant to the provisions of section 204 of the Companies Act 2013, every listed company and company belonging to class of companies as prescribed is required to annex with its Board’s report, a Secretarial Audit Report given by a Company Secretary in Practice. Companies which are not covered under section 204 may obtain Secretarial Audit Report voluntarily as it provides an independent assurance of the compliances in the company.

Only a member of the Institute of Company Secretaries of India holding certificate of practice (Company Secretary in Practice) can conduct Secretarial Audit and furnish the Secretarial Audit Report to the company.
Section 118(10) of the Companies Act, 2013 mandates the observance of Secretarial Standards on General and Board Meetings specified by The Institute of Company Secretaries of India and approved by the Central Government.

Accordingly, the Secretarial Standards on Meetings of the Board of Directors (“SS-1”) and Secretarial Standards on General Meetings (“SS-2”), as approved by the Central Government, have been issued by the ICSI for observance by all companies (except exempted class of companies).

This adoption by the corporate sector will have a substantial impact on the quality of secretarial practices being followed by the companies, making them comparable with the best practices in the world besides ensuring observance of uniform practices across Board, strengthening the Board processes, protecting individual directors, preventing oppression & mismanagement, building up investor confidence and better monitoring of compliances.
ICSI MILESTONES: GLIMPSES OF A GLORIOUS JOURNEY

The ICSI Insolvency Professional Agency (ICSI IPA) is a Section 4 of the Insolvency and Bankruptcy Code, 2016. ICSI is an acknowledged body under the Insolvency and Bankruptcy Code, 2016. It is a non-profit organization that provides professional services in the field of insolvency and bankruptcy. ICSI IPA is a regulatory body for insolvency professionals in India. It is recognized by the Ministry of Corporate Affairs, Government of India.

ICSI IPA launches its new website

NYO Delhi, Thursday, 23rd February 2017

Business Standard

Insolvency system starts with 600 professionals

ICSI IPA launches its new website

ICSI IPA begins enrolling insolvency professionals

The Institute of Company Secretaries of India (ICSI) has announced the launch of its new website www.icsiipa.com recently at the hands of CS Chayan Agarwal, President, ICSI ICA. The website will provide a comprehensive platform for insolvency professionals to enroll, download the ICSI IPA Act, and access other resources.

The website will serve as a one-stop solution for insolvency professionals, providing them with easy access to all the necessary information and resources required to fulfill their responsibilities under the Insolvency and Bankruptcy Code, 2016.
Leaders’ Wishes on Crossing 50,000 Membership Mark

I am delighted to know that the membership of the Institute of Company Secretaries of India has reached the figure of 50,000. The fact that such a large number of very enterprising and bright young people are becoming Company Secretaries also indicates the width of opportunities that is available to them in the Profession. As larger and larger corporatisation of Indian business is taking place, it is absolutely necessary that they are run on professional lines. Recently, the taxation rebate that we have given to smaller companies will also encourage a lot of sole proprietorship and private partnership firms to convert themselves into companies. So, I foresee a future where number of the companies is going to increase and obviously the need for Company Secretaries is going to increase, because, they are professionally trained and qualified as to how to run these companies and to complete all the legal formalities in the establishment and the counselling of the Companies. The fact that the Institute has come of age with such a large membership is a great occasion. I wish all its members and the Institute a Big Success.

Thank You.

Arun Jaitley (Hon’ble Union Minister of Finance and Corporate Affairs)

The Institute of Company Secretaries of India has attained a remarkable mark by reaching the milestone of 50,000 members. On this occasion, I congratulate ICSI, President CS (Dr.) Shyam Agrawal, and all ICSI members.

At the same time, I have an expectation from the Institute and its members that they should play their role as Corporate Governance professionals with full dedication and responsibility while act as ‘Conscience Keepers’ of the companies and watch over those black sheeps in the corporate sector who play foul by taking advantage of some existing legal loopholes. For ensuring setting up Good Governance practices, I think, ICSI members have a monumental role to play while acting as ‘advisor’ to the corporate sector.

I know ICSI will keep on guiding the way of its professionals to establish best governance practices in Indian Corporate Sector and contribute to a great extent to the objective of Government of India for making India a world leader in Governance.

Arjun Ram Meghwal (Then Hon’ble Union Minister of State for Finance & Corporate Affairs)
Since Inception of ICSI, Our Esteemed Members have been ‘Believing’ and ‘Living’ this Quote from Taittirya Upanishad

सत्यं वदा! धर्मं चरा।
speak the truth, abide by the law

in ‘Letter’ and in ‘Spirit’ to Uphold the Torch of Corporate Governance Profession in India.

Therefore, to Mark the Beginning of Golden Jubilee Celebrations of ICSI and on Crossing 50,000th Membership Mark, The Institute of Company Secretaries of India Formally Adopts this Golden Quote as ‘ICSI Motto’
Inauguration of
Golden Jubilee Year
by
Narendra Modi
Prime Minister

Wednesday, October 4, 2017 | Vigyan Bhawan, New Delhi

Vision
"To be a global leader in promoting good corporate governance"

Motto
सल्यानं वदरं वर्षं चरं

Mission
"To develop high calibre professionals facilitating good corporate governance"
A NEW OUTLOOK TO ICSI JOURNAL CHARTERED SECRETARY

ICSI MILESTONES: GLIMPSES OF A GLORIOUS JOURNEY

BUDGET 2017
"Transform, Energise and Clean India"

CS (Dr.) Shyam Agrawal
New President - ICSI

NEW INDIA

"We should take a vow to have our own dress code for convocations. Time has come to quit the British gown for such occasions."

- Dr. A.P.J. Abdul Kalam
"Paying Tribute to Dr. Kalam....ICSI takes vow to have Indian dress code and to quit British Gowns for its Convocation Ceremonies."

CS WOMEN
EMPOWERED & EMPOWERING...!!

"Speak the truth abide by the law"
@digital economy

"Bestowing a Fresh Lease of Life to Corporates" - The Insolvency and Bankruptcy Code 2016

LET'S UNIVERSALIZE TREASURED 'GOVERNANCE MANTRAS' OF OUR ANCIENT INDIAN LITERATURE

CROSSED MEMBERSHIP MARK 50,000

ONE NATION ONE TAX
GOOD AND SIMPLE TAX

"Sankalp Se Siddhi"
ARCHIVELY REVIEWED Government papers from ancient Indian Literature
A role model for every common man who has uncommon thoughts and wants to live high in life, an example for every person who believes in seeing dreams with open eyes and wants to see these dreams coming true, a paragon who believes in soundness of character and not outlook of personality, an environmentalist at heart who can be often seen cycling on the roads to head for Parliament, a regulator who wishes to take Governance in every nook and corner of the country, he is Union Minister of State for Finance and Corporate Affairs Sh. Arjun Ram Meghwal.

CS WOMEN
EMPOWERED AND EMPOWERING....!!!

March, 2017, celebrated as International Women’s Day, was a historical day in CSE profession as the vision of President, ICSI, CS (Dr.) Shyam Agrawal, to bring to light the fact that how empowered CSE women are, was made manifest. This is the first ever attempt of ICSI to celebrate the spirit of CS women on the Globe in general as how their perseverance, struggle and determination led to magnificent achievements.

This endeavour of ICSI is also in line with Hon’ble Prime Minister Narendra Modi’s vision to revive Khadi as he said, “When we purchase a Khadi, we are brightening the lives of the labors of weavers who told story and thread”. - Hon’ble Prime Minister, Sh. Narendra Modi

CS (Dr.) Shyam Agrawal, President of the Institute of Company Secretaries of India is very enthusiastic about this move and opined that

“We have a rich heritage and culture of Khadi which should be preserved and nurtured. It is an opportunity for us to celebrate our culture and its value while also promoting it. This move will not only help in preserving the traditional art of weaving but also create job opportunities. ICSI is proud to be a part of this initiative and encourages all its members to support the revival of Khadi.”

Dr. Harpreet: My belief is that it is a sin if any person is not able to “become the best version of him self” during his lifetime. Therefore, it is our best effort that our readers may gain strength from every experience we publish in Chartered Secretary. We research about your life journey has revealed to thank you very much for such a glorious introduction and we are dedicated at the effort put in by you in tracking out your personal details. I strongly believe that knowledge is power and I hope you are proud of what you have achieved in your life. The background of all who reach the peak is that of many setbacks and failures. However, it is our responsibility to pay tributes to those who have overcome obstacles and achieved success. It is our journey in your own words.

EMPOWERED AND EMPOWERING!!!

1. ICSI Tribute to Dr. Abdul Kalam
Creating a Dress Code with an Indian Essence for ICSI Convocations!!!

We should take a vow to have our own dress code for convocations. Time has come to quit the British gown for such occasions.”

Dr. B.R. Ambedkar

A New Outlook to ICSI Journal Chartered Secretary

A new dress code has been adopted by ICSI convocations for young members. The decision was taken by the President Hon. Sh. Narendra Modi to preserve Indian culture and also bring attention to the importance of wearing traditional attire.

“The decision to adopt a new dress code for ICSI convocations is a step towards promoting Indian culture and tradition. It is important to appreciate and preserve our rich heritage and celebrate it in every possible way.

“This new dress code will help in reinforcing the importance of wearing traditional attire and fostering a sense of pride in our cultural heritage.”

Solomon Khan, President of ICSI

A New Outlook to ICSI Journal Chartered Secretary

The Institute of Company Secretaries of India

The new dress code for ICSI convocations includes not only traditional attire but also encourages the use of Indian fabrics such as Khadi. This move is seen as a step towards promoting Indian culture and also bringing attention to the importance of wearing traditional attire.

Rendezvous with ICSI
Hon’ble Union Minister for Railways, Government of India Sh. Suresh Prabhu

Dr. Harpreet Raman Bahl, ICSI interviewing Sh. Suresh Prabhu

He is a person armed with a passion for education, proved his ability in various profiles, known for his zeal and understanding, high integrity, zero corruption but also with ability to deliver milestones in his journey. Renowned as one of three future leaders of India by 'Asiaweek' an International Magazine that described him as a “nation maker” way back in the year 2000 itself. On behalf of ICSI, Dr. Harpreet Raman Bahl had a conversation with Union Railways Minister, Government of India Sh. Suresh Prabhu in this series of Rendezvous with ICSI. Interaction with him proved that this title even do not except it, also noadder even do not except it.

Dr. Harpreet: My belief is that it is a sin if any person is not able to “become the best version of him self” during his lifetime. Therefore, it is our best effort that our readers may gain strength from every experience we publish in Chartered Secretary. We research about your life journey has revealed to thank you very much for such a glorious introduction and we are dedicated at the effort put in by you in tracking out your personal details. I strongly believe that knowledge is power and I hope you are proud of what you have achieved in your life. The background of all who reach the peak is that of many setbacks and failures. However, it is our responsibility to pay tributes to those who have overcome obstacles and achieved success. It is our journey in your own words.

Sh. Suresh Prabhu
Hon’ble Minister of Railways

Sh. Arjun Ram Meghwal
Hon’ble Minister of State for Finance

About the Indian attire in the form of Tricolor around the necks of new members, I have to say that this is not just enough to wear these around your necks only, but this is essential that the spirit of Tricolor resides in your hearts. This is when you are able to do justice to your professional responsibilities and also high standards for yourselves that is essential.

Sh. Suresh Prabhu, Hon’ble Minister for Railways

Hon’ble Minister of State for Finance

Chartered Secretary | October 2017
e-Learning: Imparting Education to Students across India through e-learning

e-Library for Members and Students

e-Management Skill Orientation Programme (E-MSOP)

Computer Based Examination (CBE)

e-Chartered Secretary, ICSI's Monthly Journal for Corporate Professionals, e-publication

SMASH (Student Member Application Software Hosting): A web based application integrating all services/application of ICSI.

Webinars for all

Virtual Collaboration Platform for Member & Students
GST Core Advisory Group: A special team to deliberate on the intricacies of GST and making submissions to Government

Series of Webinar on GST

GST POINT: A platform to reply to the queries, difficulties and challenges faced by consumers, manufacturers, traders, MSMEs, public at large

GST Help Line: Get your queries addressed by subject experts.

GST E-Book

GST App: The App offers latest news, articles, regulations and various publications on GST

Certificate Course & Master Classes on GST: Provides comprehensive insight into the principles of GST and other nuances

GST Educational Series: To enhance knowledge of GST laws
- **Swachhata Pakhwada** celebrated at the Institute Headquarters, 69 Chapters, 4 Regional Councils & ICSI-CCGRT
- ICSI employees, members and students across India took *Swachhata Pledge.*
- The Institute HQ initiated a **Neighbourhood Cleanliness Drive**
- Organised **awareness programmes on cleanliness** among children in orphanages in Delhi and Noida
- **Workshops on e-waste management** at New Delhi & Noida office
- The Institute also **publicised and promoted 'Swachhata Pakhwada'** through Facebook and twitter
ICSI has been promoting Indian culture by promoting Khadi among its stakeholders

Institute has successfully adopted Indian attire for its convocations (Kurta, Pyjama for men and Saree/ Salwar-Kameej for women)

A Khadi 'Angvastram' given by ICSI is adorned by the passing out students

MoU with Khadi & Village Industries Commission (KVIC)
ICSI celebrated International Day of Yoga across its offices in India

Yoga sessions were organised at its 4 regional offices and 69 chapters across India for Students, Members & Employees

Yoga protocol was circulated among all stakeholders of ICSI

The Institute promoted International Day of Yoga through different social media tools
- The Institute has launched a Fee Waiver Scheme for students of Jammu & Kashmir and North Eastern States of India for CS Foundation/CS Executive Programme

- Students from Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura, Sikkim and State of Jammu & Kashmir can avail this scheme

- Study centers in all 7 North Eastern States

- Classroom Teaching Fee Waiver Scheme for students of Union Territories (Puducherry, Dadra and Nagar Haveli, Andaman & Nicobar Islands, Lakshadweep and Daman & Diu) for CS Foundation / CS Executive Programme
LOCAL TO GLOBAL: MODEL CODE ON MEETINGS OF PANCHAYATS

- ICSI is coming up with a “Model Governance Code for Meetings of Gram Panchayats”, which seeks to prescribe a set of principles for convening and conducting meetings of Gram Panchayat
- This model code will facilitate compliance
- This model code strives to supplement existing laws to promote better governance in the functioning of Gram Panchayat

ICSI is connecting the dots between 'Local to Global' aspects of Governance
- Webinars on Companies Act, 2013 – ‘Enable, Evaluate and Excel’
- ‘ICSI Quest-eAssist’, an online platform for members of ICSI where they can seek responses on the queries and difficulties pertaining to the Companies Act, 2013 and Rules & Notifications thereunder as well as issues related to e-filing.
- **E-book on Companies Act, 2013 on MCA Portal**: ICSI has put in dedicated efforts to provide for an error-free e-book of the **Companies Act, 2013** inclusive of all the relevant Rules with the unique feature of ‘ease of access’ and ‘ease of use’ entailing it. The e-book is updated on a real-time basis.
- Publications: ‘FAQs on companies Act, 2013’ and ‘Ready reckoner for Private Companies’
- Webinars organised to sensitise the new form SPICe (INC-32) [simplified proforma for incorporating company electronically]  
- ICSI Partnered with the Ministry of Corporate Affairs for Make in India Week and offered expert advice in matters arising out of Companies Act, Corporate Restructuring, LLP, FEMA, Listing Regulations, Agreements like Joint Venture, Scheme of Arrangements and Compromise etc
- **Investor Awareness Programme**: The Institute is registered under the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 since 2005. ICSI has organized more than 4100 Investor Awareness Programmes under IEPF through identified Resource Persons at Regional Councils/Chapters. Institute published two Booklets “First steps for Investing: A beginner’s Guide” and “Primer for first time and existing Investors” which provides lucid information on various investment instruments and the right and responsibilities associated with each one of them.

- **Capital Market Week**: ICSI observes Capital Markets Week every year. Activities such as panel discussions, lectures, interactive meetings with capital market regulators/stock exchanges and investor awareness programmes are undertaken during the week by the respective Regional Councils and Chapters.

- **Depositors’ Education and Awareness Programme**: ICSI is registered under RBI’s Depositor Education and Awareness Fund Scheme, 2014 for imparting financial education and spread awareness about the same in the rural, semi urban and urban area.

- **“ICSI FinancCS – Financial Opportunities -The ICSians Way”**: Interactive platform to communicate identified opportunities and key developments in Financial Services space alongside an executive brief to the members of ICSI on weekly basis.

- **ICSI Financial Services e-helpdesk**: Platform to share views, feedback, queries and suggestions on professional opportunities in financial services sector at a dedicated email id by members and students of ICSI.
Sankalp Se Siddhi
Let's Universalize Treasured ‘Governance Mantras’ of Our Ancient Indian Literature
A Book by ICSI
Corporate Leadership Development Program -
Shaping up an Accomplished KMP

Venue: Lloyd Law College, Plot No.11, Knowledge Park-II, Greater Noida-201 306.
THE FIRST EVER CORPORATE LEADERSHIP DEVELOPMENT PROGRAMME

Another Milestone Reached in ICSI’s Journey towards Excellence

Acrylic of Illustriousness
in the Vignette of Corporate Governance:
Shaping up the ‘Future Governance Professionals’

ICSI Congratulates First Batch of Corporate Leadership Development Program and will unleash the journey of their magnificent transformation into exemplary Governance Professionals in upcoming issues of Chartered Secretary....!!!
Speech of Sri Venkaiah Naidu, Hon'ble Vice President of India during the Inauguration of the ICSI, CoE – Hyderabad on September 16, 2017

I am feeling extremely happy, because the Institution for which I laid foundation 3 years back has taken a real shape. Because we are used to see foundation stone at foundation stage only but foundation becoming a reality that’s really makes me too happy. I am extremely delighted today to inaugurate this Centre of Excellence in this historic city of Hyderabad. what we should all aim in our life is excellence, Excellence in every walk of life and in every profession so that India will be known for an Excellent Country. Everyone of us at our levels must make our own contribution. With this Centre of Excellence catering to the entire Southern India and Similar Centres coming up in Ajmer for Northern Region, Kolkata for the Eastern Region.

Institute will be meeting the requirement for whole Country. It’s Centre for Corporate Governance, research & training is already functioning at Navi Mumbai & serving the Western region. In the wake of Globalisation & increasing role of Corporate in driving the economies, it has become imperative for professionals like Company Secretaries to acquire cutting edge knowledge skills that are not only in tune with best practices but also facilitate and promote good Corporate Governance. We are now living in a Global Village, the entire world is open up & in India particularly we are getting Foreign Direct investments allowed in many sectors. Now the Government also have changed the policy & then started public private partnership, so that being the case, there are enough opportunities in our country & the country has the great future, worldwide the economy is slow, even our neighbour China is also little negative. The only economy which is going forward with temporary here & there some deficit but at the end of the day the most favourable distinction in the world today is India i.e. our Country. So we need to set up benchmarks for high standards in Corporate Governance and such Centres should also accord high priority to research & innovative practices, incubation that’s an all the buzz word. You need to innovate start-up, Stand-up, Centres of Excellence.

India once upon a time was known as Vishwaguru. People from across the Globe used to come & study here, acquire knowledge. If you read Kautilya’s Arthashastra you understand and read philosophers came from China & other parts, they wrote about India & our civilization. It used to be & called as Vishwaguru. Today because of Colonial rule in between slavery, Some of us lost our conscious and lost directions, they have not only ruled us they have also looted our wealth. Now the time has come that we must create wealth and reinvent. Development takes the Country forward & make the Country as one of the top most country in the world that’s an agenda. This has nothing to do with this party or that party, this Government or that Government, but each one of us, the citizen of India must strive for excellence in his own sphere of activities. There is no dearth of intellect in India.

Everybody has got some excellence, some talent. what is required is some skill upgradation. Kaushal Vikas Yojana – ye bahut jaroori hai. That’s why this Institute is definitely useful & along with that if you go for priority for research and innovative practices this will further Excel. I am told that it’s a mandate among others to undertake transformational research that aims to achieve International standing in Corporate Governance, build Collaborative Network to address the challenging research, problems & achieve Global Competitiveness & gain recognition for Indian research. Our values, our traditions, our standards set by our forefathers, they are adopting family constitution that is a very welcome step & because India specially believes in joint family, living together that makes people immensely happy,
so that speciality has to be further strengthened by this Corporate Governance & new ideas & innovations. Also to address the challenging problems & to achieve Global Competitiveness & gain recognition for Indian research there will be competition now. It’s a open economy, you can’t say no to no, I don’t allow this, I don’t allow that. If you say me don’t allow this, they also say don’t allow you. If they don’t allow you then what will you do with surplus populations? We have surplus human knowledge we have young population. 65% of the people are below the age of 35. That is great demographic dividend, we can really train them, teach them & then we can supply human resource for the entire world once again, so that great opportunity is awaiting for us. We should remember that strong foundation in Ethical values should be the basis for exemplary Corporate Governance but before looking elsewhere- in Corporate Governance one should look inwards & what is better than Kautilya’s Arthashstra. The principles & Practices of Economic Management written by Kautilya in 4th Century are relevant even today. Doing research in Sanskrit on Upanishad, or Veda, we somehow lost our conscious it has become a fashion to dissonance & say India is useless, something is great because they came & ruled us. They not only ruined our Country but ruined our mind also. So friends back to roots again and then I commend the Institute of Company Secretaries of India for coming out with a Vision- To be a Global Leader in promoting good Corporate Governance & with a mission to develop high Calibre professionals facilitating good corporate Governance. ICSI should ensure that these objectives should not remain as mere slogans but achieved in a fullest measure. India’s inherent Spiritual Strength, rich traditions, strong value system which forms the core of the family & business can emerge as a role model for other Countries in Corporate Governance. The practice of Corporate Governance should play a leading role in making India a Global Leader in their field.

Money Laundering through shell Companies is one of the menace that affect the economy of the Country. Money Laundering, Black money, hoarding, counterfeit all these challenges we have faced. Now I commend the ICSI to sensitize all the citizens & also stakeholders about shell companies but also on the shell NGOs. I also appreciate the efforts of ICSI in bringing out Secretarial standards on the Statute books in paving the way for good corporate practices. Standards are needed in the wake of corporate disputes; they are also increasing nowadays. A Company Secretary is not only the Conscious keeper of the Enterprise but he or she has also a larger social responsibility. I have seen some of the women excelling as Company Secretaries. Temperamentally, women are more suitable, I am not trying to discriminate the man and woman and create a competition between man and woman, after all they are also 50% of the population. Given a responsibility, definitely they will excel. No doubt a Company secretary is key managerial personnel but they also represent Internal & External Stakeholders. They have to constantly update themselves with the changes in the law for the proper guidance of the management & other stakeholders. Everybody should feel that he is student. Everybody should learn new practices, new ideas, out of box ideas on how to really empower the people, downtrodden, how to see the poverty, how to see the woman are empowered, how to see discrimination in staff. With implementation of GST they should have acumen to deal with challenges coming from its implementation. GST is one of the best transformation law. For any transformation, there is a teething trouble but once a system is put in place, I can really assure the country that the great transformation will come & India’s growth will be accelerated and you can live without tension and you can pay more attention. It will work, if you are really paying the taxes properly, there is no need to be panic, that this man will come or that man will come then what will happen on this book that book, A Account, B Account, there is no need of any of these accounts only one account.

So friends the CS should have acumen to advise their clients. I am happy to note that ICSI is in process of framing International Corporate Governance Code bringing in the teachings of ancient Indian texts and modern day Corporates. Institutional Governance Code by bringing faith the teachings of ancient Indian text which holds relevance in modern day Corporate Scenario- A very good thing, I compliment the ICSI for taking this initiatives. I was going back to roots. We must have the great things which our forefathers have given us. Fortunately, we have a great civilization thousands of years old. We have knowledge in our Shastra’s, in our Vedas, one should also focus on that and really teachings of the Indian texts. Suitably made and used also commend the Institute for submitting the draft note for Model Code for meeting of Panchayats which aims to promote good Governance at the grass root level. We have 3 tier democracy – Central, State and Local Body. So Panchayat level Governance in also very important at grass root level. Khadi is very much appreciable by the people. Nothing is going to happen if you wear a khadi. Boot suit se kuch jayada fayada nahi hai. Now, I am the Vice president, People asked me what about your change of dress, I say no change of Dress but only the change of address. As a Minister I would have been come anywhere any time. But as a Vice President, there is some protocol system, unless there is Govt. Functions, Vice President cannot go, so we have discussed and make it possible because you have done the excellent work within 3 years.

I wish the Institute the students a wonderful journey ahead.

Namaskar- Jai hind.
Governance is not a new concept for India, rather its traces can be found out in ancient Indian texts which exist since coon's age and older than 5,000 years even. The examples of good governance and administration have been cited by various foreign scholars who visited India in those times. These golden Mantras of good governance have the same relevance in contemporary time even. On November 19, 2012, speaking at a Diwali party hosted by British Prime Minister David Cameron at his official residence, he said, “The Ramayana is a good lesson for good governance.....In the epic Ramayana, we are looking at how we give people protection, affection and correction.....And I think that is a good lesson, because that is what good government should try to do and that is what we should try to do in this country (Britain).”

Here are some excerpts of speech of Hon'ble Prime Minister Shri Narendra Modi ji on ‘Good Governance through Democracy’ at the launch of Shri Vinay Sahasrabuddhe’s book ‘Beyond a Billion Ballots’. Prime Minister gives several instances cited hereunder where he relates how Good Governance instances are been suggested by our ancient Indian texts.

- When we talk of good governance, let us see what Ram Rajya according to Ramayana is and what kind of governance is described in it. Ramayana says “Ram Raj Baithe Triloka, Harshit Bhaye Gaye Sab Soka; Bayaru Na Kar Kaahu San Koi, Ram Pratap Vishamta Khoi..!!”. Friends, today we say that there should be no discrimination among people. What is the meaning of this chaupai? It talks about such governance that has no inequality, ups and lows, difference among rich and poor.

- Not only this, there is another very interesting saying in Ramyana. Today malnutrition is a great subject of discussion. Ramayana says “Daihik Daivik Bhautik Taapa, Raam Raj Nahi Kahuhi Byapa; Sab Nar Karahi Paraspar Preeti, Chalahi Swadhamr Nirat Shruti Neeti..!!” In governance, there should be such structure that there is environment of mutual trust and love among people. There should be no jealousy and malice in them for each other.

- It further says “Chalahi swadhamr nirat shruti neeti”. Everyone should fulfill their dharma, their responsibility. Fulfill your dharma as a teacher, as a mother, as father, as a riksha puller. Be true to your duty, and if you do so, you will get ultimate happiness, this is what Ram Rajya says.

- Ram Rajya also talks about maternal mortality rate, infant mortality rate. Why did Mahatma Gandhi like Ram Rajya. Today we talk about maternal mortality rate. Ramayan said “Alpamrityu Nahi Kavniyu Peera, Sab Sundar Sab Biruj Shareera..!! “Apmrityu nahi kavniyu peera”, the governance should take care of the health of mothers and children and the societal system should be recuperative. “Sab sundar sab Viruj Shareera”, everyone should be healthy and strong, physically fit and fine. Governance should be such that strives towards this kind of societal state.
• What does Ram Rajya describes about education? I am talking only about Human Development Index and nothing else, the same HDI that the western world keeps talking about. Ram Rajya says “Sab Pandit Gunagya Sab Gyan..!” Today, we talk only about basic education so that people can write and read, but Ram Rajya emphasizes on education to the extent that, it says that every person should be educated enough to be a pundit (scholar). Every person then whether it is a man or a woman. Education is everyone’s right. The so much talked about Human Development Index of this era, the basic concepts of it were described so well by Tulsidas in the hypothesis of Ram Rajya at that time..! And this is I think where Gandhi Ji found of this concept and this was the reason why he must have said it..!

• There are a few things that need to be reformed in our present governance style. Let us have a look at what are the hurdles in the way of good government and what all needs to be reformed. There is one thing I would say that in Government today, there is only accountability of commission and no accountability of omission. We will have to change this..! We do not need ACTS but ACTIONS..!

• I propose that we must shift our focus from procedural audit to performance audit..! We are only concentrating on procedures. is the bridge constructed the way it should have been constructed. Procedural audits are not sufficient; they need to be extended to performance audits. I believe that the performance audits will change the scenario. In the same way, how does the Government works..? We spent this budget, we spent that budget..! We need to change this elemental idea itself. Emphasis needs to be shifted on outcome instead of output and outlay. What you spent, is not what is important. You opened schools, hired teachers, arranged material..! Okay, but what is the meaning if the kid has not learned reading and writing. Outcome is if the kid got educated, outlay is your room, teachers’ budget etc. And this is why I think that if we do not move towards elemental change then we can’t build the tomorrow that we want to build.

• We need to understand what Chanakya long back has said. Chanakya says, and I believe that this will give us complete understanding of where does prosperity come from..? Chanakya said, “Sukhasya Moolam Dharmaha, Dharmasya Moolam Artha, Arthasya Moolam Raajyam..!” This means that prosperity originates from the Rajya, the good governance. He has further stated, “Rajya Moolam Idriyajaya, Indriyajayasya Moolam Vinay..!”

• Marks came, he talked about wither away state. Marks described it very late, but our ancestors said in the vaidik kaal that humans can turn into superhumans..! Might be they didn’t succeed, but the concept was not wrong. Marks also talked about wither away state..! The form of imagination might have been different, but our ancestors also stated that to what heights can good governance grow? It was defined by our forefathers in the vaidic yuga as “Na Tatra Raaja Rajendra, Na Dando Na Indikah, Swadharma Nev Dhamakate Rakshati Parasparam..!” which means that such a society can be created where no state will be needed, no penalization will be required, everything can be administered peacefully.

The Golden Jubilee issue of Chartered Secretary is dedicated to find such pearls of Good Governance hidden in the ocean of Ancient Indian Literature. Our whole CS fraternity is a reservoir of such pearls, therefore, the whole world will praise our rich literature if member of our fraternity shell out even one verse from such literature. We, a collective force of 50,000+ governance professionals may yield 50,000 such pearls and make this happen. Let us challenge our intellect and take the Sankalap to universalize our ancient Governance Mantras’. Happy reading.

Dr. Harpreet Raman Bahl
Office of the President, ICSI
Harpreet.bahl@icsi.edu
Ancient Indian Ethos in the World of Governance

Anu Amodia

The expression ‘Indian Ethos’, is a concept to capture the experiences of Indian civilization over the centuries which may be accepted as a guide book to be followed in managing both the professional as well as the personal front. This paper attempts to focus on the doctrines and ideas from the ancient Indian scriptures: our epics Ramayana, Mahabharata, Vedas, Vedanta, Upanishad, Srimad Bhagawat Gita and of course Arthashastra of Chankya relevant to today’s mindset development with specific reference to business leadership, efficient managerial skills for creating a proper ambience for qualitative development and increasing the productivity, shaping a better future in the business world. It is an ideal endeavor to incorporate the ideas as expressed in our wisdom literature for the fullest growth of human potentials who accept business ethics, appreciate corporate social responsibilities, initiate leadership for a prosperous and strong nation.

Historical Perspective of Governance

Charu Vinayak

The legal system of a country at a given time is not the creation of one man or of one day; it represents the cumulative fruit of the endeavour, experience, thoughtful planning and patient labour of a large number of people through generations. To comprehend, understand and appreciate the present governance system adequately, it is necessary, therefore, to acquire background knowledge of the course of its growth and development. The truth is that the traditions of the past have made our modern system what it is, and still live on in it. Without a proper historical background, it may be difficult to appreciate as to why a particular feature of the system is as it is. The historical perspective throws light on the anomalies that exist here and there in the system. Therefore, we should concentrate on different perspectives of governance system in ancient India and gradual evolution of it till today.

Governance Lessons in Ancient Indian Ethos Role of Secretary (Sachiva) in Governance as per Ramcharitamanas of Shri Tulsidas

Nilesh Bharat Gadoya

Ramcharitamanas of Shri Tulsidas has valuable lessons from the governance perspective. These epic book is written in the form of dohas (couplets) and chaupais (quatrain). There are various angles from which governance can be studied from this epic book. The present article discusses the role of secretary (Sachiva) in governance as per Ramcharitamanas. Ramcharitamanas is divided into seven parts which are known as Kanda (Bala-kand, Ayodhya-kand, Aranya-kand, Kishkinda-kand, Sunder-kand, Lanka-kand and Uttar-kand). There are stories of various kings in these kands like Rama, Pratapbhanu, Dashratha, Janaka, Vail, Sugriva, Ravana. Each of these kings had one or more secretaries (Sachivas) who advised or counselled their king in many matters. The article focuses on these sachivas, their qualities, their role in governance of the kingdom and the lessons they give us. Though it seems to be ancient but the lessons still have relevance in today’s modern world.

The Indian Synthesis in Governance

Om Prakash Dani and M. S. Srinivasan

The ancient Indian Culture evolved a synthesis in governance which has a living relevance to modern Government. This Indian system is not the result of a dogmatic imposition of a one-sided ideology like capitalism or socialism on the entire nation; it is an organic synthesis of the deeper truths of monarchy, oligarchy, aristocracy and democracy. The unique feature of this system which needs careful consideration from modern governance is its attempt to harness the intellectual, moral and spiritual energy of the community for uplifting the social and political life of the community under the overarching ideal of Dharma. The old forms of this synthesis may not be suitable to our present or future age. We have to arrive at a new form and a new balance of this ancient synthesis which is in harmony with the present and future needs of our age.

Corporate Governance and Ancient Wisdom

Prasanna Bedi

This article harnessed the spirit of evaluating the conceptual framework of governance derived from Ancient India in its perception & exertions and extensively understanding its impression on corporate governance of contemporary times. The essence of laws and principles underlying them for the construction of governance has been consciously assayed and comprehended to realize its parts evident in modern corporate governance practices. Stipulation of professional codes and ethical governance from ancient texts is drawn to correlate with current era of corporate governance. It converges the governance insights from the early system of collective identity for occupation of corporations called Vaishyas (Varna system) to today’s modern corporations. It also enlightens the Indigenous systems of values & concepts which were vehemently distorted structurally by colonial legacy resulting acute hollow in perceiving the Indian heritage of ancient form of governance. Indian wisdom of governance is being corresponded with Western form of Governance Theories to brew a comparable understanding.
CSR and Corporate Governance Through Thirukural

S Kannan

We, Indians have every reason to be proud of our ethos, philosophy and our culture. One can draw innumerable amount of reference from Indian philosophy and culture which is one hundred times valid even in today’s so called scientifically advanced living conditions. Corporate Social Responsibility and Corporate Governance are not new inventions. They are in existence in our country for thousands of years. Even from Vedic Period. Indians should be aware of their past, their culture and the way our society was brought up for thousands of years. India is land of several hundreds of languages, culture, habits and practices. But, Indians are united by certain underlying characters which is common to all irrespective of the region, language and practices. Tamil is one of the oldest languages of the world and also rich in its culture. Thirukkural, written in Tamil more than 2000 years ago, is a moral code and it is one of the few works translated into almost all the languages of the world.

Lessons in Corporate Governance from Kautilya’s Arthashastra and Various Scriptures from Ancient India

Dr. Sudha Saxena and Dr. Uma Vijay

The Article deals with the study of the relevant and important aspects of Management and Business Ethics discovered from Kautilya’s Arthashastra and our Ancient Scriptures. Ethical issues which are a big challenge being faced by management, need to be paid heed at and not let go unnoticed. Through core values and principles taken by these Scriptures, a leader becomes a prospective entrant in the corporate world. From Kautilya’s and Vedantic viewpoint the leaders and the role they play in Corporate Governance is crucial in ensuring transparency, good conduct and governance towards the ultimate aim of achieving Corporate Social Responsibility. This article provides a framework to the study of Kautilya’s Arthashastra and Vedantic viewpoints in all aspects of Corporate Governance and helps in understanding what is ethically permissible and positively virtuous in regard to leading an organization.

Law, Governance et al in Hindu Culture and Ethos

Sudheendhra Putty and Dr. V. Balachandran

Ancient Indian or Hindu society, its seers and philosophers, has been the cradle of civilization. From anthropology to zoology, the scientific study of every subject reached its zenith in this punya bhoomi/karma bhoomi. Centuries of invasion led to decay in many of these spheres with our knowledge and wisdom coming back to us from the West packaged in a more contemporary format. This article highlights and delineates on the route to our roots in the context of law, governance and commerce as they were enunciated in our scriptures – from the Vedic period to the times of MS Golwalkar. The present article analyses how the distilled wisdom of our seers finds place in our corporate board rooms and courts even today. It reflects on the timeless greatness of the noble thoughts of our seers who even millennia ago spoke of codes of conduct, rule of law, corporate social responsibility, good governance and the like.

Governance Lessons in Ancient Indian Ethos

Urvi Kanodia

Indian Ethos in Modern day Governance refers to the values and practices that our “Bhaarteeya Sanskriti” or Indian culture can contribute to service, leadership and management. The Soul of our culture is influenced by Indian philosophy rooted in our scriptures - the Vedas and the Upanishads, the holy Bhagawat Gita, the epics - Mahabharata and Ramayana. In functioning of multinational companies, managers and employees confront cultural issues which affect their relationships, productivity, efficiency and work life balance. Indian Ethos can help in solving these issues and achieving effective Corporate Governance.

Therefore through this article, an attempt has been made to explain with certain examples and citing from the ancient Indian scriptures that there are many governance and management concepts that can be learnt through the wisdom of Ancient Indian scripture that help to promote a more ethical and responsible leadership on an individual or institutional level and the concepts from ancient Indian literatures that are still applicable in today’s corporate governance.

Governance lessons from Ancient Indian Ethos

Dr. Vaishnavanghri Sevaka Das

Governance is a part and parcel of our existence. The actual purpose of governance is sustenance and prosperity of the governed subjects. Directions for governance received from the Vedic wisdom seldom fail because they are free from four defects of human beings. Illusion, mistakes, cheating propensity and imperfect senses are the four defects, which make human being’s directives very conditional. This is our practical experience in all spheres of life. But, the ancient Vedic wisdom provides time tested principles of governance through the characters of some great rulers. There are many rulers like King Bharata, Lord Ramachandra, King Swayambhva Manu, King Pruthu, King Yudhisthir, King Parikshit, King Janaka, King Priyavrata etc., who became permanent celebrities on account of their wonderful governance based on the Vedic wisdom. Governance approach of some of these kings forms the present article. One can learn innumerable lessons on governance from their personal behavior and teachings for effective leadership and administration.
Gst Compliance Ratings

Dr. Sanjiv Agarwal

The article on GST Compliance Ratings deals with the concept of Rating on the basis of compliances by a person given under the GST law of indirect tax regime. This is the first time ever that such a concept has been introduced in any Indian indirect tax law. The article discusses the salient features of this provision and how will the compliance scores be decided, their basis and how they shall be updated. The Compliance ratings of an individual will be available in public domain and be detrimental to their overall scorecard under the GST regime. The article also focuses on how the said provisions of GST compliance rating will be useful for all the stakeholders at large and how it will impact the overall working of a business.

GST - Appeal Proceedings at Appellate Authority and Revisional Authority

Ravi Holani

The right of appeal is statutory conditional right. Any appeal against an order, decision or direction may be filed by an aggrieved person if the statute permits it in a manner and condition prescribed by it.

LEGAL WORLD

- **LMJ 24:10:2017** It is not possible to hold that the director in refusing to respond to the notice given by the court was acting within the scope of the powers conferred on him. He is only liable for his acts and not the company. [SC]
- **LW 71:10:2017** Supreme Court explains the meaning of the term ‘existence of dispute’ in section 8 of the Insolvency & Bankruptcy Code. [SC]
- **LW 72:10:2017** Proviso to sub-section (5) of Section 7 or proviso to sub-section (5) of Section 9 or proviso to subsection (4) of Section 10 of the Insolvency & Bankruptcy Code to remove the defects within seven days is not mandatory but directory in nature. [SC]
- **LW 73:10:2017** The obligation of the corporate debtor was, therefore, unconditional and did not depend upon infusing of funds by the creditors into the appellant company. [SC]
- **LW 74:10:2017** Supreme Court leaves open the issue whether a trade union can broaden its membership to include workmen of various industries. [SC]
- **LW 75:10:2017** The provisions of the SARFAESI Act would become applicable qua all debts owing and live when the Act became applicable to the respondent. [SC]
- **LW 76:10:2017** Supreme Court upheld the contractual clause as arbitration clause.
- **LW 77:10:2017** CCI passed cease and desist order and imposed penalty on coal carrying service companies for indulging in bid rigging.
- **LW 78:10:2017** CCI dismisses the complaint filed by IATA alleging boycott by the members of Air Cargo Agents Association of India.

FROM THE GOVERNMENT

- 01 Exemptions given to certain unlisted public companies under the Companies (Appointment and Qualification of Directors) Rules, 2014 from the appointment of independent directors - reg.
- Obligation to comply with the Indian Accounting Standards (Ind AS) and Rule 4 of Companies (Indian Accounting Standards) Rules, 2015 - Payment Banks, Small Finance Banks which are subsidiaries of Corporates - reg.
- Delegation of powers to RDs
- National Advisory Committee on Accounting Standards - Amendments
- Designation of Special Court
- Cyber Security and Cyber Resilience framework for Registrars to an Issue/ Share Transfer Agents (hereinafter referred to as RTAs)
- Outsourcing of activities by Stock Exchanges and Clearing Corporations
- Clarification on Exchange Traded Cross Currency Derivatives contracts on EUR-USD, GBP-USD and USD-JPY currency pairs
- Integration of broking activities in Equity Markets and Commodity Derivatives Markets under single entity.
- Clarification to SEBI (IFSC) Guidelines, 2015 - Liquidity Enhancement Scheme (LES) Circular
- Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957

RESEARCH CORNER

ICSI – CCGRT ANNOUNCES Unique Critical Research Analysis of Indian Companies Act, 2013

OTHER HIGHLIGHTS

- Members Restored
- Certificate of Practice cancelled
- Ethics & Sustainability Corner
- Corporate Leadership Development Programme-Proceedings
- Competition Law Corner
- GST Corner
- CG Corner
Articles in Chartered Secretary

Guidelines for Authors

1. Articles on subjects of interest to the profession of company secretaries are published in the Journal.
2. The article must be original contribution of the author.
3. The article must be an exclusive contribution for the Journal.
4. The article must not have been published elsewhere, and must not have been or must not be sent elsewhere for publication, in the same or substantially the same form.
5. The article should ordinarily have 2500 to 4000 words. A longer article may be considered if the subject so warrants.
6. The article must carry the name(s) of the author(s) on the title page only and nowhere else.
7. The articles go through blind review and are assessed on the parameters such as (a) relevance and usefulness of the article (from the point of view of company secretaries), (b) organization of the article (structuring, sequencing, construction, flow, etc.), (c) depth of the discussion, (d) persuasive strength of the article (idea/argument/articulation), (e) does the article say something new and is it thought provoking, and (f) adequacy of reference, source acknowledgement and bibliography, etc.
8. The copyright of the articles, if published in the Journal, shall vest with the Institute.
9. The Institute/the Editor of the Journal has the sole discretion to accept/reject an article for publication in the Journal or to publish it with modification and editing, as it considers appropriate.
10. The article shall be accompanied by a summary in 150 words and mailed to sil.ak@icsi.edu
11. The article shall be accompanied by a ‘Declaration-cum-Undertaking’ from the author(s) as under:

Declaration-cum-Undertaking

1. I, Shri/Ms./Dr./Professor. ……………………… declare that I have read and understood the Guidelines for Authors.
2. I affirm that:
   a. the article titled “……” is my original contribution and no portion of it has been adopted from any other source;
   b. this article is an exclusive contribution for Chartered Secretary and has not been / nor would be sent elsewhere for publication; and
   c. the copyright in respect of this article, if published in Chartered Secretary, shall vest with the Institute.
   d. the views expressed in this article are not necessarily those of the Institute or the Editor of the Journal.
3. I undertake that I:
   a. comply with the guidelines for authors,
   b. shall abide by the decision of the Institute, i.e., whether this article will be published and / or will be published with modification / editing.
   c. shall be liable for any breach of this ‘Declaration-cum-Undertaking’.

(Signature)
Ancient Indian Ethos in the World of Governance

INTRODUCTION

Ethics is a discipline that examines one’s morality or the moral standard of the society. Ethics means expected standards in terms of your personal and social welfare. It includes honesty, responsibility, transparency, morality, etc. The main purpose of Indian Ethos is to develop proper governance, to ensure all round development, work sincerely and productivity of human being.

In the modern world of governance we die and are reborn again hoping to give ourselves and our next generation a blissful world by implementing our ancient Indian ethos. A better corporate governance in this 21st century would lead the nation to prosperity when all of us; self-actualized, transcend the barriers of gender discrimination, caste, creed, religion, region, community, country, reaching out to the world as global citizens glorifying our higher selves for the betterment of humanity. Our mother Earth would then turn into a Paradise we dream of.

Leafing on to the pages of history we come to know some five thousand years back our Indian civilization dawned on the banks of the river Indus. The world describes India as the land of beauty, grandeur, where the gods descend down, time and again spreading the message of love, selflessness, peace, fulfillment, to establish unity in diversity, the path to truth, beauty, goodness and in our language “Satyam Shivam Sundaram” which states whatever is true is godly and whatever heavenly is beautiful. Beauty is more than skin deep, realized only through the daily practice or the implementation of the verdicts as stated in our wisdom literature to excel in our personal as well as professional front; the ability to manage ourselves, the organizations where we work as a family. We are the microcosms of the entire macrocosm with a firm belief in the term “Vasudhaiva Kutumbakam”, the Sanskrit phrase meaning the whole world is a single unit, with its roots in the words. “Vasudha”, means Earth, “Eva” is related with empathy and “Kutumbakam” means family. The original verse contained in the Mahopanishad VI 71-73 goes on to say that those who have no attachment go on to find the Brahman that is the one supreme universal spirit for performing the worldly duties without being attached to any material possessions. So love, harmony co-operation and mutual support happen to be the basic ingredients here, like in a family to usher efficiency in the organizations and strengthen the nation and of course our humanity at large. Now a nation cannot perform in a vacuum unless, the large, medium and small corporations vow to follow these divine teaching and consider themselves as world citizens. We need unity to build a new one world country.

ANCIENT INDIAN ETHOS - HOW RELEVANT TODAY?

As discussed earlier, we can see that the principle of good ethos what was talked of during the ancient period is what which is gaining more prominence today. In today’s competitive world of business, the question of survival depends on effective governance. The concept is slowly shifting towards welfare objectives, it can be welfare of stakeholders, investors, environment, society, nation etc which the business should try to achieve. This is exactly what it was told in ancient period. According to Chanakya “The Kingdom should be enjoyed by all”. The delegation of authority and span of control discussed in Maurya and Gupta period is what it is propounded today in business. Today’s Governance Principles focuses mainly on delegation of authority, responsibility and span of control as the main principles for better performance of duties. Discharge of duties according to professional and business ethics which is much talked about today can be traced back to Ancient period. According to
Arthashastra, the king should discharge his duties in the best manner keeping in mind his responsibilities and ethics and he should not do anything for his own welfare. This shows that he is bound by his duties and ethics which is driving force today to run the business effectively and efficiently. There is much weightage given today for selecting right person for right job, he is evaluated based on certain criteria for appointing him as Director or CEOs of the Company, this is same as what is mentioned in Arthashastra. A person who assists King should be a right person and he should be selected based on series of test. One of the important areas in corporate governance is decision making. A collective decision making is what it is talked out today and such decision should be taken keeping in mind not only to help the promoters and owners but also to benefit those who rely and depend on the company. In Mauryan and Gupta period also the major decisions relating to welfare of the kingdom was taken on collective basis. Each of district and provincial heads were involved and consulted before taking any decision at central level. One important thing about good governance in Mauryan empire was the appointment of spy's to monitor and control illegal activities and corruption in the administration. This can be related to appointment of internal auditors today in business. Internal Auditors almost perform the same duties, they check the areas where there is chances of embezzlement and corrupt practices.

To sum up, governance module under the above periods can come as a big relief and can help in providing solutions to some of the problems faced today in business. The key areas where we can use the ancient period governance in present day situation are –

1. Learning on Leadership qualities and skills
2. Selection or right person for right job (Chanakya’s Arthashastra gives lot of information on process of selection)
3. Accountability and Delegation of Authorities
4. System of Spy and Intelligence agency to control corruption and monitoring of work.
5. Social welfare ideas of king and his team (which can be linked to present days Corporate Social Responsibility)

IMPLEMENTING OUR ANCIENT ETHOS IN THE WORLD OF GOVERNANCE

The process of governance involves the three aspects; maximum utilization of resources, leading efficiency, materializing the organizational goals towards effectiveness and value addition to the world suggesting social responsibility. All these aspects could be possible only in a healthy environment. Ethics and ethical behavior happens to be the main ingredients of healthy governance. The question crop up from where one would avail the opportunity to understand the code of ethics as guidelines to be followed in the world of governance? Many of us aim to go back to our roots, which is in our ancient scriptures termed as our philosophy.

It cannot be denied that India had a glorious past with its wisdom literature: The Vedas, Upanishads, Vedanta, Our epics – Ramayana, Mahabharata and of course Arthashastra of Chanakya, the man who built the Mauryan Empire by motivating and guiding Chandra Gupta Maurya in 321B.C. Is this thought of applying our ancient Indian ethos in the field of governance some kind of a Hindu concept? It is only a way of life, a philosophy to motivate us on to the direction of enrichment.

THE BASIC CONCEPT OF INDIAN ETHOS

There are varied principles which could apply for the upliftment of the organization. Each soul is a potential god. Vedanta believes in the oneness of existence. All of us have a spark of divine within our hearts and this word ‘divine’, means an endeavor towards perfection, knowledge and power or energy for self development. If one brings about his or her self development it would automatically benefit his or her organization and the society because he or she is a part of the large unit, provided he or she is duty bound and impartial to one and all with the faith on the maxim that ‘god helps those who help themselves.’

Vedanta believes in non dual concept that is; the universe is an individual whole where each and every one of us is connected to the other. We the individual souls are together connected to the “Over Soul” or God. Such a person with a firm belief in oneness of humanity can achieve the status of integrated human personality who believes in building strong interpersonal relationship; manage his or her sector with excellence, if not with total perfection. This is the ideal of Indian Ethos: “Jagat Hitya cha”, or gaining perfection in individual life as well as aiming for the welfare of the organization. The

An able manager never shy away from undertaking risks, but remain cool and composed, accept the challenges to speed up with his or her mission and realize the set goals sucessfully.
managers or the people involved in the decision making stands motivated to pour out their best selflessly for the betterment of their organization, inevitably contributing the development of the Nation and the wide world outside, serving the humanity with a holistic approach of lifting their spirits cheerfully, spreading cheers among others ensuring harmony to enhance productivity in their job sector. Now if such egalitarian concept is implemented for corporate governance there could sound the music of concord. The importance of the contemplation or meditation is important to remain calm and focused, balanced, detached with a vision. Then only it would be possible for the manager or the team leader do justice to one and all. And of course he or she need to develop a third eye, the eye of wisdom or foresight to bring efficiency in the organization and to be a person of such a temperament one needs to inculcate the characteristics of a yogi or an ascetic as says Lord Krishna to Arjuna in Bhagavat Gita, discourse V line 6

योग युक्त मुनि ब्रह्म न... विपन्न न हि महति।
योगसूत्र विभिन्नशास्त्र विभेदतात्मा निवेदिता।

(" Yoga yukt Muni Brahma Na...chire na dhi gachhate
Yogayukta bishuddhatma bijitatma jitemdra").

In English when translated, mean “the ascetic who has cleansed himself has gained mastery over his mind and all his senses and he has become one with all, in all creation, although he acts, remains unaffected.”—The Gita according to Gandhi – Mahadev Desai.

A manager with such a vision would have enough prudence to implement this knowledge of detachment. We all are aware of ‘Karma yoga’, that is self less service to others. Again when turn to the pages of Bhagavat Gita, discourse II line 47 Lord Krishna speaks to Arjuna:

कर्मो योगमये परिलक्षितं
मा वन्धुः कालवाणि
मां कर्मो भवेतः हेतुः भुरः मा
ते सर्वात्मानसंकर्मिणि

("Karmany evadhikaras. Te
Ma phalesu kadachana
Ma karma phal hetur bhur Ma.
Te sangośtvakarmani")

The English translation goes on to state “you have the right to work only and you have no right to the fruits of work”. The sermon is thus a kind of advice to all who need to manage self as well as organization to put on his or her heart and soul only to the present as one has no control of future and it is useless to be clouded with the thoughts of the past. A question comes in our mind as to why we work? All of us know for our salvation, growth and creepers and each atom of creation”. The Vedas therefore indicate the path of attaining knowledge, the realization of the abstract through the concrete. Then is it possible for our Corporate World to implement our Vedic knowledge into practice?

THE BASIC PRINCIPLES OF INDIAN ETHOS

Our sacred ancient literature such as Vedas, Upanishads, Ramayana, Mahabharata, Bhagavadgita, etc, depicted treasure of wisdom and principles which modern management can apply for success of the corporate. The following principles of Indian Ethos may be useful for management practitioners to govern:

- Organisational interest is superior to self interest. A business leader is a trustee and servant of organization and stakeholders and not the owner of assets.
- A person has Immense potential energy and talents for perfection.
- Karma Yoga offers principle of working for God and detachment from its fruits.
- Holistic approach indicating unity between the divine individual self and the universe “प्रजातिव भूषक्के” (Vasudeva Kutumbakam).
- One must develop one’s third eye i.e. ‘‘ज्ञान व्यंग्य’’ (Gyan Chakshu) or the Eye of Wisdom.
- Excellence at work through self motivation and self development.
- Cooperation and interdependence.
- Above board honesty and integrity.

OUR VEDAS: A GUIDE TO IMPLEMENT CORPORATE SOCIAL RESPONSIBILITY

Much has been said by the world of our Vedas known as the store house of our ancient value systems that emphasize: a) Satyam or Truth, b) Tapah or Austery, c) Damah or Sense Control, d) Samah or Tranquility of mind e) Dharma or Righteousness, f) Danam or Charity, g) Daya or Mercy and i) Nyasah or Renunciation.

Here Renunciation does not mean suffering of body, mind or soul. It does not aim for strong penance, but find oneself in the vast cosmos with abundant joy, feel the presence of God in all creation. We can be happy when the others in our surroundings be happy. As writer Mr Tarini Komal Pandit in the introduction of his book ‘The Vedas, The Gospels of India” wrote - the Rishi calls upon each and every one of the Universe to feel His existence in everything, in light and darkness, wind and water, fire and ashes, in songs and smells, buds and flowers, sprouts and leaves, trees and creepers and each atom of creation”. The Vedas therefore indicate the path of attaining knowledge, the realization of the abstract through the concrete. Then is it possible for our Corporate World to implement our Vedic knowledge into practice?

There is always a possibility to achieve everything positive with a right approach in implementing the social responsibilities
Ancient Indian Ethos in the World of Governance

All of us who strive to manage ourselves and team need to do our duty without seeking any reward. This detachment would enable us to develop a sound mind to ensure a sound body. Work culture then is ensured in an organization where all perform without any conflict for the betterment of his or her own, as well as of the others, as did Arjuna with Lord Krishna’s advice. We are all like Arjuna torn and tossed in the battlefield of life, but can manage ourselves better if raise our spirits to overcome our weakness and open the door of opportunities awaiting us.

concerned with a) Family Welfare Programme, where every employee work under the belief that he or she will be looked after during the times of need where he or she is just not a mere employee but a member of the large family b) Community Development Programme, where the corporate houses perceive it is their moral duty to undertake the responsibilities of the community where belong c) Corporate Philanthropy, a part of their responsibility, to feel for the distressed and downtrodden with no means to advertise themselves d) Corporate Citizenship, where every company feel proud to be a part of the nation and enrich it. e) Concept of Trusteeship, where the business owners could empathize without bearing the attitude that the organization is wholly their private property. As quotes Professor A.N Tripathi in his book Human Values - New Age International, about a contemporary management thinker who said “... (corporations) are expected not only to create wealth and produce superior goods and services, but also to conduct themselves as moral actors as responsible agents that carry on their business within a moral framework. As such they are expected to adhere to the basic ethical principles, exercise moral judgments in carrying out their affairs, accept responsibility for their deeds and misdeeds, be responsive to the needs of others and manage their own values and commitments.”

RAMAYANA: THE HELPING GUIDE TO GOVERNANCE

Indeed, to boost the welfare of the nation as well as the world, we need moralizing corporations who follow the path set by Lord Rama in Treta yug or period. The ‘Ayodhya Kand’, second chapter of Ramayana composed by sage Valmiki gives a detailed account of good governance, where lord Rama advice Bharat, his younger brother in appointing courageous, knowledgeable, strong willed men with a high emotional quotient as his ministers, for quality advice is the secret behind a sound system of administration. Lord Rama emphasized on moderate taxes to be levied on common people, treat soldiers well and pay their legitimate wages on time, provide proper irrigation facilities, ensure the traders a fear free environment and grievances to be redeemed promptly. Lord Rama staunchly followed the path of righteousness and set himself as an example of a king for whom duties comes before his personal comfort. He had to send his queen Sita away from the palace to satisfy his subjects, especially a fisherman who doubted the chastity of Sita and of course he also performed his duty as a husband by sending Sita to the hemitage of sage Valmiki. Both Rama and Sita suffer their agony in separation very gracefully, to exemplify how strong they are in love amidst all the adversities, with a firm fidelity to each other. Perhaps for his firm stand on Dharma or righteousness, Rama gains the title of ‘maryada purushattam’ or the greatest of all men who maintains dignity. Lord Rama sets himself an example to our managers or decision makers in the field of governance that everyone is answerable to the public, superiors, subordinates, shareholders, stake holders, board of directors to ensure transparency for the day to day running of the organization. In fact, if our managers motivate and mentor the staff they automatically help in increasing the growth of the company as well as the nation.

ROLE OF MAHABHARATA IN THE WORLD OF GOVERNANCE

The Mahabharata of Vyasa, the longest Indian epic too provides guidance to our corporate world on the varied lessons of governance. The epic teach us how we can transform our weakness into strength. The Pandavas utilized their thirteen years of exile by developing their skills. Yudhisthira became a master craftsman in the game of dice. Arjuna went on a mission to acquire heavenly weapons and become technically sound in the field of archery. The Pandavas were united so could share their responsibilities and work as a team under the leadership of Lord Krishna. They understood the ground realities and so were able to reach out to the common people without displaying their ego. Hence they gained support from the different strata of the society. The Pandavas undertook calculated risks at the time of crisis. An able manager never shy away from undertaking risks, but remain cool and composed, accept the challenges to speed up with his or her mission and realize the set goals successfully. In order to defeat Dronacharya Lord Krisna prevails on Yudhisthira to lie that Aswathama, his son is dead. From a moral perspective such deed seem unethical, but such a lie is acceptable when it does good to the larger humanity for long term gain.

THE RELEVANCE OF BHAGAVAT GITA IN THE WORLD OF MODERN GOVERNANCE

India has gifted the world with the Holy Gita, the best guide to self development. Lord Krishna in order to boost up the morale of the depressed Arjuna went on with his discourse, comprising of eighteen chapters and this book offers a great counseling to all who enter the world of governance, professionally and personally. Before the battle of Kurukshetra began, both Arjuna and Duryodhana sought help from Lord Krishna, who obliged both the parties. Duryodhana chose the huge army of Sri Krishna while Arjuna felt elated to win his lord as his charioteer on whose able leadership began the great battle of Kurukshetra. Duryodhana failed to realize the role of a charioteer, but the world of governance believes that the charioteer is the captain who steers the ship amidst a tornado or a tempest to reach the harbor safely. Our managers are the modern charioteers who lead their organisations and of course the nation in different fields: educational, agricultural, industrial, political or social. Bhagavat Gita guides one to work with commitment by practiseing detachment
which could be gained through self-control by conquering the passions or desires. The mind is the repository of thoughts that shape our personality. A demotivated mind can damage both the person and the work place environment. As says Lord Krishna to Arjuna in chapter VI verse 36:

असंतप्तत्वम् योगे दूषणाः इति मनः
देशवर्यते त्योहारस्य युधिः प्रवत्त्यायामाः

("Asantaptagam yoge Duṣpraprap me matih
Vaayatmana tu yatata Sakyo vaptum upayatah")

“For one whose mind is unbridled, self-realization is difficult work. But he whose mind is controlled and who strives by appropriate means is assured of success.”

All of us who strive to manage ourselves and team need to do our duty without seeking any reward. This detachment would enable us to develop a sound mind to ensure a sound body. Work culture then is ensured in an organization where all perform without any conflict for the betterment of his or her own, as well as of the others, as did Arjuna with Lord Krishna’s advice. We are all like Arjuna torn and tossed in the battlefield of life, but can manage ourselves better if raise our spirits to overcome our weakness and open the door of opportunities awaiting us.

IMPORTANCE OF ARTHASHASTRA IN THE WORLD OF GOVERNANCE

Two thousand and four hundred years ago, Vishnu Gupta, popularly known as Chanakya or Kautilya wrote a political treatise entitled ‘Arthashastra’ a book of politics and the art of good governance. The book stood the test of time and still it enjoys as a helping guide for our leaders. In chapter two of ‘Arthashastra’, Chanakya advises the king and those in the administration to avoid extreme decision and apply soft actions. Sovereignty can only prevail with mutual cooperation of others. The King and his administrators he affirmed are considered as the servants of the people and answerable to the public. They too be paid for their service to mankind and not for their ownership of anything. No doubt Chanakya emerged as a visionary who paved the way to democracy as said Abraham Lincoln in his famous statement: ‘Government of the people, by the people, for the people. Chanakya had the foresight to believe the welfare of the king lie in the welfare of his people. As says Chanakya; ‘सुधार्य मूल चर्म’ (Sukhasya Mulam dharma), that is; the basis of happiness and prosperity is righteousness (ethics).

CONCLUSION

Our ancient wisdom literature is the Vedas, Vedanta, Upanishads, Ramayana, Mahabharata, Bhagavad Gita or the Arthashastra are a storehouse of comprehensive and powerful philosophy to be applied in all ages for the benefit of mankind. Since Indian Philosophy extols unity amidst all diversities, believe in tolerance, quest for freedom we can perceive the kingdom of heaven if adhere to the belief of Vedanta ‘Thou art that’; as said Swami Vivekananda “religion is the manifestation of divinity already in man”. The Vedanta teaches us to transform our life from mediocrity to excellence. If we understand the pristine glory of the supreme self and feel the presence of the hopeful, blissful consciousness everywhere and in every being, we all could realize our goals for a better world. The Supreme Soul residing within us then would destroy all that is evil to unleash all that is pure and create, again recreate to bring down a millennium of prosperity on our earth. We would then be better performers, as have learned the art of governance. The Divine Spirit in our heart would motivate us to chant these often quoted lines of Bhagavat Gita, where Lord Krishna speaks to Arjuna, his disciple, chapter IV line 7 and 8:

यदा यदा हि धर्मस्य
विनाशस्य भूभवेदान 
अर्जुनस्य अवस्य 
तदहमस्य सूक्ष्मम अह
प्रियी व नाग्निशी 
विशालस्य व दक्षिण 
हरस्तलहकाय 
स्माभिम युगे-युगे 

("Yada Yada Hi Dharmasya
Glanirva Bhavathi Bharatha,
Abhyuthanam Adharmasya
Tadatmanam Srijami Aham.
Praritranaya Sadhunam
Vinashaya Cha Dushkritam
Dharamanasansthapnaya
Sambhavami Yuge-Yuge.”)

The English translation goes on to say “Whenever there is decay of righteousness O! Bharatha and a rise of unrighteousness then I manifest myself for the protection of the good, for the destruction of the wicked and for the establishment of righteousness, I am born in every age.”

The message of Lord Krishna we can accept is that of a leader who aims to lead his organization amidst despair or anarchy to the road of prosperity with a right approach, condemning the vices and upholding virtue to establish ‘Dharma’ or righteousness. In the modern world of governance we thus die and are reborn again hoping to give ourselves and our next generation a blissful world by implementing our ancient Indian ethos. A better corporate governance in this 21st Century modern world of management would lead the nation to prosperity when all of us; self actualized, transcend the barriers of gender discrimination, caste, creed, religion, region, community, country, reaching out to the world as global citizens glorifying our higher selves for the betterment of humanity. Our mother Earth would then turn into a Paradise we dream of.

REFERENCE

- The Vedas: the Gospels of India Tarini Kamal Pandit
- Publisher: Late Bhajanlal Indrakumar Agarwala, Kuruseong - All India Press, Pondicherry
- The Gospels of Selfless Action
- The Gita according to Gandhi: Mahadev Desai, Navajivan Publishing House, Ahmadabad
- Human Values: A.N Tripathi New Age International Publishers, New Delhi
- Principles and Practices of Education: Dr. B.R Purkait, New Central Book Agency (P) Ltd Kolkata
- Kautilya’s Arthashastra in the context of Management: An exercise in Hermeneutics by Balakrishnan Muniapam, Curtin University of Technology, Malaysia.
- Summary on Kautilya’s Arthashastra: Its Contemporary Relevance, Published by Indian Merchants’ Chamber(2004) www.google.com
Historical Perspective of Governance

Governance is the way the rules, norms and actions are structured, sustained, regulated and held accountable. The degree of formality depends on the internal rules of a given organization and, externally, with its business partners. As such, governance may take many forms, driven by many different motivations and with many different results. For instance, a government may operate as a democracy where citizens vote on who should govern and the public good is the goal, while a non-profit organization may be governed by a small board of directors and pursue more specific aims. The roots of the present day human institutions lie deeply buried in the past. The same is true of a country’s law and legal institutions. The legal system of a country at a given time is not the creation of one man or of one day. It represents the cumulative fruit of the endeavour, experience, thoughtful planning and patient labour of a large number of people through generations. To comprehend, understand and appreciate the present governance system adequately, it is therefore necessary to acquire background knowledge of the course of its growth and development. The truth is that the traditions of the past have made our modern system what it is, and still live on in it. Without a proper historical background, it may be difficult to appreciate as to why a particular feature of the system is as it is. The historical perspective throws light on the anomalies that exist here and there in the system. Therefore, we should concentrate on different perspectives of governance system in ancient India and gradual evolution of it till today.

Kautilya’s Arthashastra maintains that for good governance, all administrators, including the king be considered servants of the people. Good governance and stability are completely linked. There is stability if leaders are responsive, accountable and removable. These tenets hold good even today. There is a great deal of similarity in the governance structures of the ancient kingdoms and modern corporations as is evident from our ancient text and scriptures. Kautilya’s Arthashastra maintains that for good governance, all administrators, including the king is considered servants of the people. Good governance and stability are completely linked. There is stability if leaders are responsive, accountable and removable. These tenets hold good even today. Kautilya’s idea of governing a state is very similar to the present day’s concept of managing a business.

According to Kautilya, “The king, the minister, the country, the fortified city, the treasury, the army, and the ally are the constituent element of the state”.

Kautilya has suggested that the state shall control all activities of governance. According to him, the state has to play the role of facilitator, regulator and protector. Kautilya has directed that a king (may be identified as a leader or CEO in the context of organization) should play a welfare nature of state with a key role in the protection and promotion of the economic and social well-being of its citizens (artha mulau hi dharmakamaviti). Kautilya has suggested that the State should control almost all activities of governance. While the individual merchants were free to continue their trading activities, they had to comply with the rules laid down by...
the State. Kautilya had appointed superintendents for almost every activity included in governance. They included superintendents for weights and measures, trade and commerce, agriculture, mining, prosecutions, gems and jewels, horses, elephants, cows, tolls, storehouses, forest produce, armory, weaving, ships, liquor, infantry, passports, etc.

Thus, it is very much evident that the State exercised a strong control over the governance. However, it has to be noted that the State only acted as a regulatory body and did not interfere in the day to day affairs of the public. In theory, the State had absolute control over economic activities. In fact, during the period of Kautilya, social welfare was the primary concern of the religious corporations, village and municipal communities, craft guilds and caste assemblies. Thus the concept of today’s welfare state was evident in the Mauryan administration.

Kautilya has asserted “Philosophy is ever thought of as the lamp of all sciences, as the means of all actions (and) as the support of all laws (and duties)”. The Arthashastra is essentially a handbook for the guidance of the governing group, a manual for the practicing politician. In the significantly major portion of it, Kautilya prescribes for specific need and uses tested administrative procedures. The procedures, thus prescribed, the indications of good governance, have not lost their relevance till date with reference to the sociopolitical and cultural contexts in India. It has been rightly observed that the Samhitas of the Yajurveda and the Brahmanas had developed the old Vedic principle of king’s obligation towards his subjects. Similarly, in an age of monarchy and legitimized ascriptive inequality, Arthashastra alone describes the king a servant of the state who would harbour no personal likes and dislikes; it would be rather the likes and dislikes of the servants that would be followed by him.

The root of any business remains in its philosophy and it is also important to maintain ethical standards in every respect. The values are the lighthouse, which provide proper direction at the difficult time of business. An integral part of an effective corporate governance regime includes provisions for civil or criminal prosecution of individuals who conduct unethical or illegal acts in the name of the enterprise. It comes as no surprise that corporate governance was first practiced by Kautilya. Kautilya suggests that good governance should avoid extreme decisions and extreme actions. Soft actions (Sam, Dam) and harsh actions (Dand, Bhed) should be taken accordingly.

Kautilya opines in a most modern way - ‘Sovereigny is practicable only with the cooperation of others and all administrative measures are to be taken after proper deliberations.’ The King and ministers were supposed to observe strict discipline. Kautilya has recommended a strict code of conduct for himself and for his administrators. As in present time corporate follow strict code of conduct for carrying out various administrative works.

According to Kautilya, ‘Just as fish moving inside water cannot be known when drinking water, even so officers appointed for carrying out works cannot be known when appropriating money’. In the same breath Kautilya has mentioned that ‘just as it is not possible not to taste honey or poison placed on the surface of the tongue, even so it is not possible for one dealing with the money of the king not to taste the money in however small quantity’. Through these words Kautilya probably has tried to mean that the there is every possibility of existence of dishonest royal official. He has also mentioned that ‘it is not possible to know even the path of birds flying in the sky, but not the ways of officers moving with their intentions concealed’.

It is very much relevant today as we often see the instances like insider trading, corporate bribe and other scams by the responsible officers. Kautilya has seriously considered the problem of corruption rampant in every sphere of public life. Therefore, Kautilya imposed strict ethical guidelines and code of conduct for state officers, traders, artisans, professionals, farmers, goldsmiths and for every section of the people, even for the king, in order to create a strong public governance system. Kautilya has mentioned “He should cause the treasury and the army to be collected in one place in the fortified city, in charge of trustworthy men” . By this statement Kautilya has tried to mean that the leader should control the finance and run it by his trustworthy men. Treasury must be situated in the head office where it can be monitored and controlled. Army means the employees who are capable of delivering the service to the Companies. For proper administration, in every organization there are some trustworthy people placed in the key positions. In modern businesses these people are the Chairman, Vice Chairman, CEOs, CFOs, COOs, Board members etc. who plays a very important role in the administrative and management set up like royal officers of the king. Kautilya was of the belief that people should be given rights and responsibilities such that they actively participate in the maintenance of the kingdom.

Kautilya has mentioned that “Control over the senses, which are motioned by training in the sciences, should be secured giving up lust (kaam), anger (krodha), greed (lobha), pride (mana), arrogance (madh) and overexcitement (harsha)”. He has mentioned that the role of a leader is very critical because he has to take varieties of decisions considering different types of complexities in day to day business. Kautilya has provided an administrative mechanism where danda business.

In the era of globalization and liberalization, corporate sectors, all over the world are going through various complexities. In this backdrop it is really necessary to look back to some ancient treatise like Arthasastra and take few lessons to solve the problems today’s corporate sectors are facing. The present system might be benefited with the time-tested and age-old experiences recorded in Arthasastra.
of different subjects must be able to exercise control over his senses (indriyajaya), and keep his passions in check. He should adjust his conduct in respect of the three goals of dharma, artha and kama. Whatever advice that had been given to a king by Kautilya should be applicable to a leader of an organization. Arthasastra provides valuable guideline for good governance system. It contains useful insights about governing a monarchy which is very similar to managing an undertaking. These insights were only independently discovered by Western thinkers in the eighteenth century. As for the specific social and economic system that Kautilya outlines and provides advice about, he would be the first to agree that his advice is relative to his time. Therefore, Arthasastra should be assessed in its historical context. In the era of globalization and liberalization, corporate sectors, all over the world are undergoing through various complexities. In this backdrop it is really necessary to look back to some ancient treatise like Arthasastra and take few lessons to solve the problems today's corporate sectors are facing. The present system might be benefitted with the time-tested and age-old experiences recorded in Arthasastra.

### Lessons unveiled from the Arthasastra

#### General
- It presents the idea of a government that has respect for religion and customs.
- The welfare of the people should be the priority of the policies laid down by the government.
- The main aim of the government is to maintain law and order, punish the wicked and protect the peaceable citizens.
- Kautilyaemphasises on the role of an able and energetic monarch for the proper functioning of the government (in present times, the President or Prime Minister or King).
- The happiness of the citizens lies above the personal comfort of the King. The King’s happiness should reside in the happiness of his subjects.
- Skill in intrigue is a better qualification for kingship than either power or enthusiasm.
- The king should avoid injuring women and property of others and should shun falsehood and haughtiness.

#### Political
- The king should rule with help of state officials and consult his ministers.
- Kautilyaemphasised on the need of civil services – “Sovereignty can be carried on only with assistance.”
- The size of the Council of Ministers should depend on the circumstances and requirements of the country (recently, a similar change has been brought forth by Modi).
- The king should personally attend to the needs of the minors, the aged, the afflicted, the helpless and women.
- Espionage and intelligence departments have been stressed upon. Kautilya also advocates the use of torture for extorting confessions.

#### Economic
- Kautilya refers to 18 departments of administration – a few being revenue, mint, exchequer, excise, commerce, etc.
- He pays special attention upon finance and then treasury.
- The suprintendent of agriculture was required to assess land at rates varying according to the different methods of irrigation thus protecting every farmer’s interest.
- The wealthy should give gold (in present day, pay more taxes) to the king. This is the policy of thinning the rich by exacting excessive revenue from their accumulated wealth (present day tax brackets).
- Thus, it can be seen that the methods of administration advocated in the Arthasastra holds relevance even in today’s modern times.

### Governance lessons from The Bhagavad Gita

The Bhagavad-Gita comprises of 18 chapters, with the first six chapters explaining the Karma Yoga (selfless action) namely the actions of self-doubt, spirituality of Being, selfless action, and wisdom in action, work sanctification and meditation for full consciousness. The second set of chapters 7–12, is on Jnana Yoga (self-knowledge). This second series is the key to actions of detachment through the understanding of supreme truth, unity with truth, devotion, alignment, universal form and divine qualities. The final six chapters, 13–18 teach the ‘how to’ for unquestionable devotion. These are actions for detachment, transcendental wisdom, and knowledge of supreme.

### Bhagavad Gita and its application to good governance

<table>
<thead>
<tr>
<th>Bhagavad-Gita chapters</th>
<th>Concepts/values</th>
<th>Application to good governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 2: Ch 2; Ch 3, Ch 4; Ch 4; Ch 16</td>
<td>Jivavasa (continuous learning to improve or continuous improvement)</td>
<td>Change and continuity will co-exist. So, there is a need to have to keep learning from the feedback loop from society and through internal processes of question, challenges.</td>
</tr>
<tr>
<td>Chapter 3; Chapter 4; Ch 12; Ch 14; Ch 16</td>
<td>Loka Sangraha or public benefit implies that actions should be performed keeping in view the welfare of the society as a whole. Thus, actions should be guided by enlightened collective interest and not by selfish interest or self-interest alone. In the context of corporate organisations, it implies that corporate behaviour should be guided by larger social interest.</td>
<td></td>
</tr>
<tr>
<td>Chapter 4; Chapter 6; Chapter 7</td>
<td>Vivdha (creativity and innovation); constant creativity and control of resources for societal welfare.</td>
<td>Beyond survival, business has to be the ‘engine’ of innovation constantly seeking more effective solutions to meet their economic and social expectations. Such innovations are required in processes, products, materials, machines, organisations, strategies, systems and people.</td>
</tr>
<tr>
<td>Chapter 5; Chapter 17; Ch 20–22</td>
<td>Loka Sangraha (public benefit); transparency of work for public benefit and societal welfare</td>
<td>It is the optimum utilisation of resources efficiently and productively and the judicious use of resources and preserving the resources for future generations.</td>
</tr>
<tr>
<td>Chapter 2; Chapter 3; Ch 25; Ch 37; Ch 9</td>
<td>Dharma (righteousness); accountability of self, family, organisation and society for order and progress.</td>
<td>It is the right path, which will uphold the family, organisational and the social fabric. It helps in the long term upliftment of all living beings and ensures welfare of society.</td>
</tr>
<tr>
<td>Chapter 2, Chapter 3; Chapter 17</td>
<td>Kausalam (optimisation and sustainability)</td>
<td>It is the optimum utilisation of resources efficiently and productively and the judicious use of resources and preserving the resources for future generations.</td>
</tr>
<tr>
<td>Chapter 17</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
to 12), which are immensely relevant for any manager in the modern day corporate context as well. All these are declared as knowledge:

<table>
<thead>
<tr>
<th>Principle</th>
<th>Quality/Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amanitvam</td>
<td>Humility</td>
</tr>
<tr>
<td>Adambhitvam</td>
<td>Pridelessness</td>
</tr>
<tr>
<td>Ahimsa</td>
<td>Non-violence</td>
</tr>
<tr>
<td>Kshanti</td>
<td>Tolerance</td>
</tr>
<tr>
<td>Arjavan</td>
<td>Simplicity</td>
</tr>
<tr>
<td>Acaryopasanam</td>
<td>Service to the teacher</td>
</tr>
<tr>
<td>Saucam</td>
<td>Cleanliness (internal and external)</td>
</tr>
<tr>
<td>Sthairyan</td>
<td>Steadfastness</td>
</tr>
<tr>
<td>Atmavinigraha</td>
<td>Self control</td>
</tr>
<tr>
<td>Vairakya</td>
<td>Renunciation</td>
</tr>
<tr>
<td>Anahankara</td>
<td>Absence of ego</td>
</tr>
<tr>
<td>Janamamrityajavahidhikhardosaanudaransam</td>
<td>Reflection of the sufferings of Life – death, old age diseases and distress</td>
</tr>
<tr>
<td>Asakti</td>
<td>Non-attachment</td>
</tr>
<tr>
<td>Anabhisingaputra-daraghadishu</td>
<td>Detachment towards son and wife</td>
</tr>
<tr>
<td>NityamSamacitatvamistanist-opapattishu</td>
<td>Equanimity amidst pleasant and unpleasant happenings</td>
</tr>
<tr>
<td>Mayci ananyayogabahaktihayabhairini.</td>
<td>Constant and unalloyed devotion towards God</td>
</tr>
<tr>
<td>Vivktdasadsevitvam</td>
<td>Love for solitary life</td>
</tr>
<tr>
<td>Ararirjanasamsadi</td>
<td>Detachment towards company of people</td>
</tr>
<tr>
<td>Adhyatmajnananityavam</td>
<td>Understanding the importance of self – realization</td>
</tr>
<tr>
<td>Tattvajanantarhadasanam</td>
<td>Philosophical search of the ultimate truth</td>
</tr>
</tbody>
</table>

As discussed earlier, we can see that the principle of good governance was talked of during the ancient period is what which is gaining more prominence today. In today’s competitive world of business, the question of survival depends on effective corporate governance. The concept is slowly shifting towards welfare objectives, it can be welfare of stakeholders, investors, environment, society, nation etc which the business should try to achieve. This is exactly what it was told in ancient period.

According to Chanakya “The Kingdom should be enjoyed by all”. The delegation of authority and span of control discussed in Maurya and Gupta period is what it is propounded today in business.

Today’s Management Principles focuses mainly on delegation of authority, responsibility and span of control as the main principles for better performance of duties. Discharge of duties according to professional and business ethics which is much talked about today can be traced back to Ancient period.

The key areas where we can use the ancient period governance in present day situation are –

1. Corporate Governance
2. Selection or right person for right job (Chanakya’s Arthashastra gives lot of information on process of selection)
3. Accountability and Delegation of Authorities
4. System of Spy and Intelligence agency to control corruption and monitoring of work.
5. Social welfare ideas of king and his team (which can be linked to present days Corporate Social Responsibility)

Governance module is not new to our country. Our ancient literature like Vedas, Manu Smruthi, Somadevaneeetistuti, BaharspatyaNeetistuti, Arthashastra etc gives more information of the type of governance which existed during ancient period. Even though some of the areas which were suitable during those days like caste and class system are not relevant today, it is wrong to say that the entire ancient texts are irrelevant today. With some modification according to present day requirement one can definitely make use of what is said in our ancient text and can apply those things in the governance module. Balancing the interests of the various stakeholders which is again at the core of good corporate governance, is highlighted in the Arthashastra and the other ancient texts. There is no prescription in the scriptures that the interests of only selected few need to be the concern of the king. This generic approach to an across-the-board welfare of all the citizens in the kingdom lends credence also to the modern theories of corporate accountability to a wider group of stakeholders, than merely to a single component thereof comprising shareholders.

In short, the Arthashastra is a mixture of both what we applaud today and what we consider to be reprehensible. Kautilya has a great deal to say about civic responsibility; the obligation of every householder to take precautions against fire is mentioned; so is a prohibition on cutting trees in public parks. Consumer protection and vigilance against exploitation of the people by government servants are aspects which we consider good.

आधुनिक वर्तमान के अंतर्गत महत्वपूर्ण राजनीतिक आदेशांक
1. Corporate Governance
2. Selection or right person for right job (Chanakya’s Arthashastra gives lot of information on process of selection)
3. Accountability and Delegation of Authorities
4. System of Spy and Intelligence agency to control corruption and monitoring of work.
5. Social welfare ideas of king and his team (which can be linked to present days Corporate Social Responsibility)

Humble, pridelessness, nonviolence, tolerance, honesty, rendering service to a bona fide spiritual master cleanliness, steadfastness; self control, renouncing the desires of the senses, free from false egoism and aware of the distressful inauspiciousness of birth, old age, disease and death. Being without attachment to son, wife and home, equipped in all situations, constant, devoid of elation or disappointment regarding favorable or unfavorable circumstances, pre:fuer for solitary places, aversion of mundane society and exclusively performing devotional service unto Me by the unalloyed science of uniting the individual consciousness with the Ultimate Consciousness. Always aspiring for self-realization, constantly meditating on the Ultimate Truth as the goal of true wisdom; all this is thus proclaimed as knowledge and whatever is contrary to this is nescience.
The dictionary meaning of governance is the action or manner of governing. Whereas governance also means to steer. Ancient India has a lot to teach to the present world in terms of governance. There are no such kingdoms where there were kings and their courtiers but each government and each corporate in itself is a kingdom. The Prime Minister and President and other Ministers are those who steer the nation and board of directors and other key managerial personnel are those who steer the Company.

The concept of good governance was followed in India since long back. It can be concluded that each and every great king of this nation had one or more wise counsellor or secretary who would guide the king in one or the other important matters. With the growing legal complexities and demand of compliances, the role of Company Secretary has too widened in present times. But it would be wrong to say that this profession has developed in recent times. The great Indian epics i.e. Ramayana and Mahabharata are the best examples where the profession of secretary has nurtured. In fact it would be wise to say that this profession nurtured the essence and existence of good governance in ancient India.

The concept of good governance was followed in India since long back. And it can be concluded that each and every great king of this nation had one or more wise counsellor or secretary who would guide the king in one or the other important matters. With the growing legal complexities and demand of compliances, the role of Company Secretary has too widened in present times. But it would be wrong to say that this profession has developed in recent times. The great Indian epics i.e. Ramayana and Mahabharata are the best examples where the profession of secretary has nurtured. In fact it would be wise to say that this profession nurtured the essence and existence of good governance in ancient India.

One such epic book is Shri Ramcharitmanas of Saint poet Tulsidas whereby Tulsidasji uses word Sachiva more or less about 91 times starting from the very first kanda i.e. Bala-Kanda to the last kanda i.e. Uttara-Kanda. It shows the importance of the profession. There are many kings and kingdoms mentioned in Ramcharitmanas. And with each king, Tulsidasji mentions the name of at least one sachiva i.e. secretary. And each of the king has counselled or taken advice of their sachiva in governing the kingdom.

The starting is made with Lord Rama who had three Sachivs particularly during his exile i.e. Jamavant, the bear, Sugriva, the monkey, and Vibhishan, the demon. This can be identified in Doha 28(a) of Bala-Kanda.

Which says that it is greatness of Lord Ram who has made Sachiva (wise counsellors) out of bears and monkeys. Shri Rama has every time taken advise of these wise sachivas whether it be building a bridge from Rameshvaram to Lanka or starting of a
At one instance Dashratha realises that he has become old and should resign from throne and make Rama king. But at this point of time he first takes advice of his sachivas including Sumantra. The sachivs accepted this proposal with happiness and asked Dashratha not to delay in taking prompt action. This teaches the modern Corporate sector that in case of succession planning, for good governance, the secretary has to be counselled as he is the one who is very near to board. But at the same time he has to be firm in his opinion.

The next king is Janaka, father of Sita. The Chaupai which opens the secret of being super powerful. The Chaupai says:

नृपहिलकरक सचिवस्याना। नामबर नरहिदिः क्रमानाः।
सचिव स्यान बुध हलीरा। (Bala-Kanda 153.1)

The secret that Tulsidasji mentions is that these all became possible because of his prudent counsellor and sachiva, Dharmaruchi and powerful brother.

Then the question may arise how was the sachiva Dharmaruchi? Tulsidasji says:

सचिव धरम रूप हरित प्रीत।
नृपिः हेतु सिखियो नीति।। (Bala-Kanda 154.1)

Dharmaruchi had devotion in the feet of Shri Hari and in the interest of his King, Pratapbhanu, he advised on state policy every day. Again, this gives a bigger lesson to us (Members of ICSI) that in order to have good governance and when the Board is willing to take counsel, the Company Secretary must advise on policy matters on daily basis. This will make the organisation to get regularly updated and adhere to the laws. Again, a bigger responsibility but at same time a great recognition to the profession.

The next king mentioned is Janaka, father of Sita. The Chaupai for his sachivs is:

सुरसचिव सचिवहरूम्। नृपावगातिसिद्धातान्करे। (Bala-Kanda 213.2)

Which means the king hadsachivs who were brave as well as faithful and had mansions which can be compared with that of Janaka’s. This paves a great message that the secretary must be brave and faithful in governing the organisation the wealth will definitely follow him. There is one instance where after marriage of Rama and Sita, when it was time to let Sita go to Ayodhya, king Janaka felt in distress. But at such times the sachivs cautioned him that it was no occasion for wailing. Here Tulsidasji Uses the word Sachiv Sayane which means wise counsellors. Here it can be said that the Company Secretary being close to management can even counsel on certain sensitive issues. One such great message by Sachiv of Ayodhya is discussed below when Dashrath became weak and was not in the position of running the kingdom after exile of Shri Rama.

The another king is Dashratha, father of Shri Ram. At one instance Dashratha realises that he has become old and should resign from throne and make Rama king. But at this point of time he first takes advice of his sachivas including Sumantra. He asks:

चैतन्यन्यानं नृपदारणा। नृपहिलकरक सचिवस्याना।
रघुराजिः क्रमानाः। सचिवस्याना। नृपहिलकरक सचिवस्याना। (Ayodhya-Kanda 4.2 & 4.3)

The sachivs accepted this proposal with happiness and asked Dashratha not to delay in taking prompt action. This teaches the modern Corporate Sector that in case of succession planning, for good governance, the secretary has to be counselled as he is the one who is very near to board: But at the same time he has to be firm in his opinion.

During Rama’s exile, he comes at Prayaga (Present Allahabad). Tulsidasji says that Prayag has truth to his sachiva:

प्रायोऽन्तरतमाकिरितांसि। तीर्थचउद्रीकोतमचा।
वचिवस्याना। नृपहिलकरक सचिवस्याना। (Ayodhya-Kanda 104.1 & 2)

Which can be understood as the sachiv is the person who can be trusted the most. And even the motto of ICSI states that Satyam vada, dharmanmchara. That is speak the trutn and abide by the law.

At this stage when Sumantra returns Ayodhya after leaving Rama, Sita and Lakshmana to forest, he becomes nervous and sad as he has to now face the people of Ayodhya and most important, Dashrath. Tulsidasji writes:

पौजातन्त्रावतिस्मारकेऽः। जनांसमाजस्युष्माचाराः।
विश्वखंडनीसिद्धातोऽः। साहित्यसमाचारमयाः। (Ayodhya-Kanda 146.2)

Sumantra is thinking as how to enter the kingdom. How to face the crowd and how to give this bad news to king and all the people. So he sat under a tree for the day until it was dawn. It shows the sense of responsibility towards the king and kingdom. Many a times the Company Secretary may be forced by situation where he may have to deliver a certain news which may not be good for the stakeholders, but still he has to find the way and console all rather than running from his duties. This again forms part of better governance.

After Dashratha, when the kingdoms has to be runned by Bharat, younger brother of Rama, the sachivas makes him understand. At this juncture Bharat resists but after counselled
by sachivas that he must obey order of his preceptor and become king until Rama returns. Finally Bharat listens to orders of his Guru and sachivs. Here Tulsidasji writes:

(AYODHYA-KANDA 175.4)

Here the guru and sachiv has acted in favour of entire kingdom. Which points that while in governance, there may be instances where personal goals has to be set aside and what may be good for stakeholders at large at a particular situation must be advised. Which is again a challenging role.

There is a chaupai where essence of good governance is depicted. It is:

(AYODHYA-KANDA 234.3)

It states that where Rama lived in forest there too people lived in wealth. The chaupai further states that the sachiv must be dispassionate whereas the king has to act with wisdom. In an organisation for better corporate governance this can be the ideal lines. Dispassionate sachiv shall always consider the duty first. Dispassionate should be towards that is unethical but passionate towards the overall welfare.

At one stage when Rama and Bharat meets in forest, Rama teaches Bharat lesson of good governance and says:

(AYODHYA-KANDA 314.3)

Shri Rama says Oh Bharata! Go to Ayodhya and protect the earth, your subjects and your capital in accordance with the advice of your preceptor, mothers and Sachiva. It can be inferred that Sachiva was considered as an expert when it came to counsel the king in matters of balancing the stakeholder’s needs. The same concept has been implemented by Companies Act, 2013 by considering Company Secretary as an expert.

And in one instance when Bharat decided to leave Ayodhya and live a life of penance until Shri Rama returns from his exile, he entrusted the reins of government to sachiva and Guru Vasistha.

(AYODHYA-KANDA 321.4)

It is worth noticing that the control of entire Capital was entrusted to sachiva. Which again shows that the profession was then was also respectable as well as responsible.

Now comes the mighty Ravana and his sachiva. Ravana had two types of Sachivas. One who never opposed Ravana whether he was right or wrong and the other was Malyavant who always differentiated Ravana between good and bad.

It was when Lanka was set on fire by Hanumana, Mandodari, wife of Ravana, advised him to return Sita and avoid further devastation of Lanka. As she felt that if a monkey servant can set Lanka on fire than what destruction could his master Rama will do. But Ravana ignored her. Now Ravana received a news from his spy that the army has crossed the mighty ocean. He asked his sachivs to counsel on the matter. His sachivs advised that:

(AYODHYA-KANDA 36.4 & 5)

His sachivs first laughed and suggested to remain patient. They stated that when he has conquered the gods and demons then of what account the men and monkeys be.

This is where the fall of Ravana starts. If the sachivs have given true advice of returning Sita to Rama, there might have been no fight and the entire Lanka might have been saved. At this moment, Vibhisana took opportunity to speak and suggested Ravana to follow the good conduct. He explained all the power of Rama. At this moment Tulsidasji says:

(AYODHYA-KANDA 39.1)

A sachiv of Ravana named Malyavanta, who was old as well from Vibhisana. It can be said that instead of being part of a mighty empire which is on the path of non-compliance and bad governance, it is better to be a part of a small empire who walks on the path of truth and good governance.
as sagacious, seconded Vibhisana and suggested Ravana to follow what his younger brother said. But Ravana in his pride asked courtiers to remove them out. This teaches a great lesson. Both, Vibhisana and Malyavant, without fear of losing job, opined what was ethically correct. This demonstrates that sachiva without any fear for good governance shall speak the truth and what is ethically correct.

Vibhisana was thrown out of Lanka. But Vibhisana knew that there is a place where his honesty, truthfulness will be adored. Thus he became sachiva of Shri Rama. The Company Secretaries has a great lesson to learn from Vibhisana. It can be said that instead of being part of a mighty empire which is on the path of non-compliance and bad governance, it is better to be a part of a small empire who walks on the path of truth and good governance.

While the enemy landed on Lanka, Ravana again asked his sachivs the course of action to be taken to fight a war. But again they counselled him to be fearless and said that humans and monkeys are our food and asked to relax. Tulsidasji writes this as:

"कहूँ रामचं तृणजीते मयाने !
कहूँ रामचं हेमान्धु भजयो !
कहूँ रामचं सारस्वत महेश्वरहरमा !
(Lanka-Kanda 7.4 & 5)"

But Ravana's son, Prahasta, was of different view. Prahasta joined his palms and said:

"कहूँ रामचं तृणजीते मयाने !
कहूँ रामचं हेमान्धु भजयो !
कहूँ रामचं सारस्वत महेश्वरहरमा !
(Lanka-Kanda 8.1)"

Here Prahasta says sachiva as satha (stupid). Here that sachiva is said to be stupid who tell only that which is pleasing to his master and hides the truth. In such way the master cannot succeed. Thus again a wise lesson for us all. Prahasta gives good advice that instead of getting into war return Sita and make friendship with Shree Rama. But again, Ravana ignores. There is a good saying for alliance that if you can't beat them, join them.

On the other hand, at the same time Shri Rama asks the further course of action from his sachivas. Tulsidasji says:

"इदोहितात्मकविधु एवं एवाः !
कहूँ मल्यावांतारूढ सतिर्याबद्धरामसार !
कहूँ मल्यावांतारूढः सतिर्याबद्धरामसार !
(Lanka-Kanda 16.1)"

Jamavanta suggested that according to him Vail's son Angada must be send as an envoy to Ravana. Rama immediately accepted the counsel of this old and experienced sachiva. This is the difference between Rama and Ravana. Having such experience sachiva is having an asset in an organisation. But valuing such a sachiv rest in the hands of those who steer the organisation.

While forming the plan for attacking Ravana and his army Rama again asks his sachivas. Now Jamavant, Sugriva and Vibhisana, the three sachivs, together makes a master plan. This management lesson for secretarial team. To work in a team and assess all the possibilities in order to make organisation in forefront in such a tough competitive environment. Whether it may be restructuring an organisation or other.

But the governing method of Ravana is different. When in war his half of the forces was killed by the army of Rama, he again took counsel of his sachivas. Again Malyavant, the age old sachiv rose up and suggested to give up the quarrel and restore Sita to Rama.

"उपेयसातमानिष्यसाधितवर्जते मे !
आयजैतिककृतिसाराः कहूँ मल्यावांतारूढः सतिर्याबद्धरामसार !
मात्रालेखဵान्य जनार्दनाः!
राममल्यावानसेवित प्रमोद !
बल्लालवनन्दीव्रतिमार्गामनाः !
सुभद्रात्मकमहेश्वरसिद्धान्ताः !
(Lanka-Kanda 47.2 & 3)"

But again Ravana refused to obey the wise advice of his truthful sachiva and asked to leave the kingdom. It is a situation where the people in charge with governance who refuse to take wise counsel, no one can save such organisation from fall. On Rama's side the old sachiva was Jamavanta whereas on Ravana side old and experienced sachiva was Malyavanta. Both were dedicated and truthful to their profession and said what was truth and ethically correct. But the recognition that both got was different. One was respected and other was rejected. This happened during that era and will continue to happen in present and future. But sachiva's responsibility and job remains the same i.e. to guide those in charge of governance by speaking truth and abiding by the law. Some will step in the shoes of Jamavanta and some in that of Malyavanta. But both have kept the essence of sachiva's profession to the highest level.

The entire article can be summed up with one Doha of Ramacharitmanasa. This Doha puts the utmost responsibility on sachiva's profession to the highest level.

"हाऽतिसतिर्याबद्धरामसाराः !
सतिर्याबद्धरामसाराः वर्जते मे !
अयजैतिककृतिसाराः !
कहूँ मल्यावांतारूढः सतिर्याबद्धरामसार !
मात्रालेखान्य जनार्दनाः !
राममल्यावानसेवित प्रमोद !
बल्लालवनन्दीव्रतिमार्गामनाः !
सुभद्रात्मकमहेश्वरसिद्धान्ताः !
(Sundara-Kanda 37)"

It means that when a sachiva, a physician and a religious preceptor, when these three use pleasing words from fear or hope of reward the result is that the reigh (kingdom), health and dharma, these all three forthwith go to the vain. This doha entrust sachiva with accountability and responsibility. This doha gives a unique lesson to us and our profession. That ultimate lesson is that sachiva must be fearless. In the words of Swami Vivekananda, who himself was a living Vedanta, said -Always say, “I have no fear.” Tell this to everybody—with no fear”. Fear is death, fear is sin, fear is hell, fear is unrighteousness, fear is wrong life.
The king in ancient India is the protector and preserver and administrator of Dharma. The democratic and communal liberty of people is an integral part of the social Dharma which the king has no power to take away or destroy in any way. The Indian king is more of a co-coordinating and overseeing authority than a ruling and legislating one. The function of the Monarchs was to ensure that each section, order or community was functioning according to its dharma, harmonise their free growth with the broader vision of the whole, promote mutual interaction between them, maintain internal security and order, prevent foreign invasion and administer foreign trade. The power and authority of the king in ancient India was hedged in from all sides by other institutions. The most formidable among them, which acted as a powerful check on the king’s authority is the Council of Ministers. The ancient Indian treatises on polity are unanimous in their conclusion that the king should never indulge in personal despotism but rule in consultation with the Council of Ministers.

In fact, in ancient Indian polity, in theory as well as in practice, the Council of Ministers was a much more powerful institution than the king. All the major decisions are taken by the Council of Ministers and the king has constitutionally no power even to criticise or veto the decision of the Council of Ministers. He can only endorse it. As K.P. Jayaswal says in his pioneering work on ancient Indian Polity:

“It is a law and principle of Hindu constitution that the king cannot act without the approval and co-operation of the Council of Ministers. The sutras, the law books and the political treatises are all unanimous on the point. Manu calls a king foolish who would attempt to carry on the administration by himself. He regards such a king as unfit. He lays down that the king must have colleagues i.e. ministers; and that in their midst and along with them he has to consider ordinary and extraordinary matters of state; even ordinary business ought not to be done by one man, not to speak of the conduct of a kingdom. Yajnavalka is of the same opinion and so other law givers. Kathyayana ordains that the king should not decide even a law-suit by himself and that he should do it along with the council. Even Kautilya, the greatest advocate of monarchy, has to say that matters of state should be discussed by the Council of Ministers and whatever the majority decides the king should carry out..... It is remarkable that the king is not given even the power of vetoing.... the Sukranitisara, which in matters of first principle follows tradition faithfully prescribes, without the manthrins, matters of State should never be considered by the king alone be he an expert in all the sciences and versed in policy. A wise king must always follow the opinion of the members of the Council of Adhikarins or ministers with portfolios; of the President, and Subjects. He must never follow his own opinion. When the sovereign becomes independent (of his Council) he plans for ruin. In time he loses the State and loses the Subjects’. The Brishaspathi Sutra, says that ‘even a rightful thing (dharma) the king, should do only on the advice of the wise.’ That is for even a lawful action in administration the king must have the authority of expert ministers.”
One may ask what is the justification for giving such a pre-eminent position to the Council of Ministers? What then is the role or necessity of the institution of the king? What are the checks against the power and authority of the Council of Ministers to prevent it from degenerating into a despotic monarchy? We must remember here that the Council of Ministers in ancient Indian polity is not a democratic institution made of popular representatives but represents the Voice of Wisdom borne of character, knowledge, experience and competence. The central core of the Council of Ministers is a small group made of senior members of the royalty or the senior citizens of the community respected for their wisdom, character and integrity. Megasthenese writing on the constitution of the council of Ministers, mentions about this core group.

"The seventh caste consists of the councilors and Assessors -- of those who deliberate on public affairs. It is the smallest class looking to number but the most respected on account of high character and wisdom of its members".

"In point of numbers this is a small class, but it is distinguished by superior wisdom and justice, and hence enjoys the prerogative of choosing governors, chiefs of provinces, deputy governors, superintendents of the treasury, generals of the army, admirals of the navy, controllers and commissioners who superintend agriculture".

Thus, this emphasis on wisdom and character on the part of the ministers acted as an inbuilt check on the institution from degenerating into a despotic oligarchy. And the institution of monarchy is itself intended to act as a counter-check on the council of ministers. Though the position of the king is a hereditary occupation, a rigorous training and discipline is imposed on the potential candidate for the royal throne. The king has to command the respect of his subjects not by his position, but by the power and character of his personality, his genuine concern for the well-being of the people, and above all by the spirit of service and sacrifice he brings to his office. Ancient Indian treatises on polity are never tired of repeating that the king is a servant of Dharma, servant of his people, and must have no personal likes and dislikes. He is asked to totally sacrifice his ego at the service of Dharma and the service of his subjects. As we have said elsewhere, the king has to derive his power not from his position, but from the scrupulous adherence to the dictates of Dharma and the respect and love he invokes from the people.

In the Indian political theory, the enforcing or the executive authority of the king, called as Danda, is conceived as the power derived from Dharma, Law. And this Danda is again conceived as a double edged sword which gives to the king who adheres to Dharma the power to rule, protect and enrich his kingdom as a double edged sword which gives to the king who adheres to Dharma the power to rule, protect and enrich his kingdom.

"The Lord created his own son and made him Dharma for the protection of the entire living world. It was endowed with Brahma’s own vigour as Dharma’s enforcing power, Danda".

"Dharma’s enforcing power, Danda, is the real king, it is the ruling authority; it is the surety for the population".

"The king who properly employs it prospers, if he be selfish, abnormal and deceitful Danda destroys him. Danda is of great lustre, it cannot be held by despots. It strikes down the king who swerves from Dharma, together with his relatives”

Thus the Institution of monarchy served a very useful purpose in ancient Indian polity. It gave a sense of continuity to the government. The high ideals of sacrifice and service expected from the king gave a moral dignity to the office. And in ancient India, the king is considered as the representative of the Divine, not in the sense of any divine right to rule but as a human representative of that aspect of divine power as Strength, Justice and Protection. This gave a religious sanctity to the royal throne. The institution of the king acted as a sacred symbol of the State around which the creative energies of the society and the loyalties of the people can be rallied, especially in periods of crisis. As Jayaswal sums up the role of the king in ancient Indian polity:

"With this defined position, with a conscience trained to be prone to listen to the public voice, his position was really that of the servant of state or rather as our fore-fathers put it mercilessly, of a drudging “slave” (dasya) … With such principles the king was virtually a constitutional slave. Even the Hindu Hobbes, the great monarchist Kautilya, would not allow the king to have personal likes and dislikes. ‘A king has no personal likes: it is the likes, of the subject (that should be followed by him) …’ The lofty sense of sacrifice made the constitutional slave into the moral master: ‘that one man who rules over numerous wise and brave men’. He was born, as says the Mahabharata, ‘for the sake of others (like the horse or the goat).’ Hindu kingship is the highest ideal of sacrifice on the part of the individual whose privilege it was to be the king of the Hindus … His utility was great. He saw to the transfer of ministers and ministry and was the co-coordinating spirit in government. Propelled by his high sense of sacrifice, high traditions and high position, morally he stood far higher than the ministers. If people found the actual governor bad, he still remained the centre of hope and reform and avoided disruption. Ministers came and went but the king remained. Even when he was powerless, he was (as kautalya puts it) the Symbol of the State. He was the standard of sovereignty to rally loyalty and hold the realm together. But for him the ministry would have tended to become an oligarchy.
and the fruits and seeds for future would have fallen in their hands and been misappropriated. Looking at his utility and at his life of superb sacrifice, the Hindu world well put it verdict in the mouth of Bhisma, the representative of Hindu loyalty in the Hindu literature: ‘Of all dharma’s (duties) rulership is the highest in society, for all times’.

In ancient India people looked up to the king and not the council of ministers as the symbol of the State. Though constitutionally he is a weakling, a king who lives up to the high ideals of character, capacity, service and sacrifice expected from him by the tradition, enjoys a deep respect and loyalty from his people and as a result can become more powerful than the Council of Ministers. For there was a real and effective public opinion in ancient India.

THE DEMOCRATIC ELEMENT IN INDIAN POLITY

This brings us to the democratic element in ancient Indian Polity. The self-governing commune and respect for public opinion are the two pillars of the ancient Indian democracy bearing testimony to the strong democratic spirit in ancient Indian polity. The ancient Indian polity gave a much greater importance to communal liberty than individual liberty. Each community or group is given the total freedom to organise its internal affairs according to its own internal constitution and outer environment. Each order of the community (Brahmana, Kshathria, Vysya and Shudra) is represented in the governing organ of the community and exercised an effective influence over administration and decision-making. But one of the major difference between the modern and ancient systems of representation is that while in the former it is based on votes or in other words mass popularity, in the later, moral and cultural consideration like character, competence and family background were given much higher importance in choosing the representatives.

Apart from the Council of Ministers, there were two popular institutions which exercised a strong and restraining influence on the power of the king. First is the Metropolitan Council of the Cities, Paura, and the other one is the General Assembly, Janapada, made of the leaders and representatives of the villages and other local popular institutions. These two institutions are partly democratic, made of elected representatives, and partly plutocratic, made of the wealthier members of the society. The king’s edicts have to be approved by these robust institutions in order to become the law of the land. The king could not get his orders executed or do much if he was opposed by the ministerial and general assemblies. There are many instances in ancient India when these institutions exerted their power and influence to remove a despotic or cruel king. The other aspect of the ancient Indian democracy is the respect for public opinion. As Jayaswal, writing on this aspect of ancient-Indian polity, states:

‘Ascertain whether my conduct is or is not approved, what action of mine in the country is agreeable and what reputation do I have in the realm’.

The king’s policy and conduct were criticised in the country and the king was anxious to know these criticism. The ideal is forcefully, though crudely, set forth in the national epic, the Ramayana, in the alleged reason as to why Rama parted with his queen. Though personally convinced of her innocence, he separated himself from her in response to the public will.

In Brishaspathi Sutra, the king is asked to give up the smallest undertaking if there is popular clamour against it. Even the right thing should not be done if the people raised a voice against it.

This consideration for the people’s Voice was not a mere shining ideal in the minds of thinkers but an effective political force in ancient India. The voice of public opinion acted in two ways. On
the one hand, it functioned as a check against the despotic tendencies of the rulers; on the other hand it strengthened the position of a capable, beneficent and just king who ruled according to the high ideals of Dharma and admired by the people. Such a king gains an upper hand over the Council of Ministers and acts as a counter-check against the adverse consequences resulting from any possible degeneration in the quality of the Council of Ministers.

THE ORGANIC SYNTHESIS

Thus the Indian Polity is an organic synthesis of the truths behind the various forms and systems of polity and government attempted and experimented by humanity in the course of its history. The mass of humanity has a natural tendency to rally round inspired and charismatic individual leaders. People need a living human figure who can represent or symbolise their aspirations. The institution of monarchy fulfilled this need. But no individual however capable and inspired can rule independently without help and guidance from others. He needs the guidance of wisdom which comes from experience, expertise, character and integrity. So came the oligarchy of the Council of Ministers.

But government is ultimately for the people. The aim of all government has to be the wellbeing of people. No individual or group of individuals however wise, competent and good can succeed in promoting the well-being and progress of the masses, if they are not consulted and given an effective representation in decision-making. The other important truth of democracy is that though consciousness of the masses is primitive and underdeveloped in comparison to its highly evolved individuals, it is not dumb and stupid; it has its own wisdom borne out of long evolutionary experience; it instinctively knows what are its immediate needs better than any elite group. So came the democratic element in the form of self-governing commune and the role of public opinion.

But the architects of ancient Indian polity were fully aware that neither mental or moral enlightenment nor vital instincts can give the deeper insight into the universal Laws of life, and Nature “Dharma”, on which must be based all the higher values of Life that can lead man to his highest well-being and fulfillment. But such an insight into the higher laws and values of life requires the spiritual intuition of the sage, Rishi. Thus came the uniquely Indian tradition of seeking the guidance of spiritually illumined personalities even in secular affairs like politics which may be called as “sagocracy”. The Indian tradition always considered that it is the pure, calm, tranquil concentrated, selfless and intuitive mind --- and not the active, agitated and stormy rational mind --- which can reflect the highest knowledge and wisdom. So it gave a much greater importance to the intuitive wisdom which comes from spiritual contemplation, spiritual education, renunciation, selflessness and experience than the knowledge gathered by the rational mind. So most of the ancient Indian political manuals counsel the political sovereign or the king to seek the guidance of genuine spiritual seekers, high-souled Brahmanas and individuals with proven integrity, character and selflessness while taking important value-laden political decision.

LESSONS FOR THE PRESENT

This brings us to the question what is the relevance of Indian polity for the present times? What are the lessons we can learn from this ancient Indian creation for the modern political life? As we have discussed briefly the ancient Indian polity is not the result of a dogmatic imposition of a one-sided “ism” on the entire nation but an organic synthesis of the collective needs of people. In any new synthesis, the deeper truths of monarchy, oligarchy, aristocracy, democracy and sagocracy have to be included in an organic harmony. The nature of the stress and the balance between these elements may vary according to the unique temperament and the socio-political conditions of the community or the needs of the age, but all these elements must be there because they correspond to some fundamental needs of the collective life of human beings.

The other important lesson we have to learn from Indian polity is the need to harness the highest intellectual, moral and spiritual energy of the community for uplifting the political life. In ancient Indian polity this was done by the following methods:

1. Council of Ministers made of people with the highest character, wisdom and experience for guiding the ruler.
2. Subjecting the ruler to the higher ideals of dharma and imposing a rigorous mental and moral education and discipline on the crown prince.
3. Guidance from the spiritual wisdom of seers and seekers of spiritual knowledge.
4. Here again, we have to figure out how the principles behind this ancient Indian wisdom can be incorporated into the modern politics and governance.

REFERENCE

1. K.P. Jayaswal , “ Hindu Polity” , Ganesh & Co, Pg.20
2. Ibid, Pg. 45
3. Ibid, Pg. 220
Corporate Governance and Ancient Wisdom

INTRODUCTION & OBJECTIVES OF THE RESEARCH PAPER

Governance has evolved from time immemorial adapting to the imperative needs of the milieu, building structured and regulated forms of relations by the way of laws, norms, power and actions. Civilization has been the testimony to the fact that Governance envelops many subsets of the social systems constituting dynamic environment and thereby calling for corresponding dynamism in the structure and pattern of Governance accordingly. Late 19th C. betokens ‘Corporate’ form of associations indulged in performing business and trading activities with all new characteristic features like limited liabilities, artificial personality and as such, thereby marking a new genre of social functionary attracting large entrepreneurs to evidence it. This in turn catalyzed the sprouting of capitalist form of economies globally involving most of human & natural resources and thereon manifesting spurring profits which fostered the practice of inculcating unethical and illicit form of achieving business goals and objectives in the minds of avaricious entrepreneurs. Managing human and natural resources in such order as to pilot the welfare of the citizens (Stakeholders) and promoting equitable prosperity through legitimate and moral mediums induced the distinct pattern of governance for these kinds of Corporations, being made known today as Corporate Governance. Development literature has ushered the conception of Corporate Governance as mere Invention of a buzzword rather ought to be learnt as Evolution of set of principles, thereby making it difficult in subsuming the perceptible form of its fulfillment reflecting mere the temporal view and diluting the elemental impression. Through this paper an attempt has been made to understand the evolutionary pattern of governance from ancient sources of Indian wisdom by realizing the relevancy of governing principles of ancient times then and possessing the alternate understanding of application of the very principles in the context of professional codes of modern corporations now.

Massive globalization has caused governmental control less effective over the large corporation accessing territories which makes the state control (Regulators, Justice systems, Laws & statutes) a Herculean task and therefore it becomes obvious to develop and construct the governing mechanism inherent in corporations by way of affirmative accountability exhibiting slant of internal control or Self-Control. Central principle of Indian ancient Gnan revolves around the essence of ‘Self-control’ which is replicated in Brihadaranyaka Upanishad as one among the three great disciplines¹. In lines of this principle, we shall perceive the ethical and moral codes of conduct in the governance mechanisms which were practiced and preached in ancient India and its remnants being observed and their necessity felt in today’s context of modern corporations.

Thereon we shall try to analyze and correlate the patterns of Western governance models and Western administration overriding and substituting the texture of Ancient Indian governance thereof limiting the Indian wisdom in its application. ‘All the great utterances of man have to be judged not by the letter but by the spirit - the spirit which unfolds itself with the growth of life in history... For Western scholars the great

¹ Brihadaranyaka Upanishad, 5-2-3
RESEARCH METHODOLOGY APPLIED

Qualitative Research Methodology - Historical research viz. To discuss past and present events in the context of the present condition, and allows one to reflect and provide possible answers to current issues and problems.3

GOOD GOVERNANCE & ANCIENT INDIA

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.4

In one of the conversations in Valmiki Ramayana when Bharata approaches Rama in his hermitage during the period of his exile to take him back to the Kingdom of Ayodhya and accept throne, Rama elucidates the duties of the king where he advises Bharata to appoint those ministers, who are eminent incorruptible, born of the fathers and forbears of good family and who are full of integrity in matters of great importance.5 Further Kautilya lists forty ways of stealing in Transaction with public6 which describes also the form of corruption activities where the public is being exploited and sometimes state also suffers. Rig Veda also provides mentioning of the corruption in the form of misappropriation of the public funds belonging to the state7 and also states that the corrupt people should not be allowed by the ruler to mix with people following Rules of Varnashrama.8 Manu also indicates the corporal or capital punishment to the corrupt persons, stating that the king should physically punish men who make false proclamations, who corrupt his subjects, who kill women, children or priests or who serve his enemies.9 Also Bhadraranyaka Upanishad says that ‘it is the responsibility of the king to protect the public good so that all citizens get equal opportunity and that the weak are not exploited and harassed by the strong.’10 Finally to quote from Mundaka Upanishad, another treasure of ancient Indian Wisdom; ‘Satyamev Jayate’11 which translates to ‘Truth alone Triumphs’ is the founding stone and eternal principle of any good governance.

Learning and interpreting the above textual sources, it evidences the volume of codes being abided by the then rulers and inflicted on the subjects exhibiting the characteristics of good governance featuring citizen centric services, providing opportunities, protecting the subjects, developments of the amenities following the Rule of Law. This displays the tradition of ideal Indian Culture where the governor has always been accountable for the actions led and state craftsmanship policies formed for the well-being of the governed. It ensures the requirement of a fair and judicious treatment of all sections of the society and upholding the Citizenship values thereby supplementing it with appropriate rights. This establishes the Indian ancient governance systems being affiliated to the constitution of Good Governance mechanisms since eras ensuring stability and harmony.

PROFESSIONAL STATUTES & ANCIENT INDIA

Women Directors:

Companies Act 2013 mentions such class or classes of companies as may be prescribed shall have at least one woman director12 among the Board of Directors. This application can be related to the practice of Vedic Ages where the senior old aged persons & the Pramukh (Head) of the Ganas or Rajyas held a Sabha (meeting) called ‘Vidhata’, where there was representation of all the section of the society and one among them being the female13, the selective females of the regions rich in their experience & intellect in varied subjects were present during the administrative decisions taking place at the Sabha. Their views were also considered and opinions were taken note of during the proceedings of such meetings. This denominates that the females were also given a vital role and their dignity was being accepted in the ancient India. Apart from these, Medieval Woman Rulers of India like Gautami Balashree, Razia Sultan also empowered Women in their region by providing employment opportunities and endorsing women glory.

Independent Directors (Outside Directors):

Companies Act 2013 states that every listed public company shall have at least one-third of the total number of directors as independent directors and the Central Government may prescribe the minimum number of independent directors in case of any class or classes of public companies.14 Independent director means the director who does not have a material or pecuniary relationship with company or related persons, except sitting fees.15 The purpose of checks and balances by introducing the concept of Independent Director is to take unbiased decisions and to check various decisions taken by the management and majority stakeholders. An Independent Director brings the accountability and credibility to the board process. These Independent Directors are the trustees of good corporate governance.16 In ancient days though the purpose might vary in its exact current form as today, but still the ancient kingdoms had practice of appointing doyens of varied subjects and other intellectuals who used to be not a part of their on-roll personnel but still were made a part of the ministerial cabinet assigning definite tasks and positions accordingly. These intellectuals helped the kingdom in bringing the ideas and methods of administration from their country lands into the native land and thereby improving the efficiency and effectiveness of the administration. Such
Corporate Governance and Ancient Wisdom

Examples are Megasthanese, Greek Historian, diplomat and explorer who served in Mauryan Empire under the reign of Chandragupta Maurya and another such example was of Hiuen Tsang, Chinese Buddhist monk & Traveller who served in Chalukyas of Badami under the reign of Pulakeshi II and also in the Vardhana Empire under the reign of Harshavardhana as a member of ministerial cabinet. They helped in converging the administrative ideas and improving the political and social conditions of the Empire they served in the interest of the subjects and kingdom.

Qualifications of Directors:
The Companies Act 2013 provides that majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand the financial statements. This enables the company to have quality people on the board to make the board’s functioning more effective. Similarly earlier there was academic qualification prescribed for the King’s Education which could be broadly classified as given Arthashasthra under 4 heads viz. firstly ‘Anvikshi’ means science of inquiry secondly ‘Trayi’ which includes four vedas and one itihaasa veda and six vedangas (purpose was to differentiate dharma and adharma), thirdly ‘Vaartha’ dealing with animal welfare, business knowledge, industries, commerce & agriculture from the perspective of economics, and income sources and lastly about the ‘Dandaniiti’ politics i.e. Laws of Punishment. Further there was also qualification prescribed for the ministers to be appointed which were as follows; Resident of the state – Born in a Good family – Having Good relations – Acquired varied and diverse knowledge – be an economist – should have the characteristics of perseverance and dedication – should be kind hearted – should pursue brotherhood feeling– should owe good health and be physically strong – should have characteristics of truthfulness – should not possess enmity with anyone. These were considered as the wealth of the ministers. Ministers possessing all of the above prescribed qualities were considered as Udhama, ministers possessing 3/4th of the qualities prescribed were considered to Madhyama and ministers possessing less than half of the qualities prescribed were considered to Adhama. And after further such classification the ministries were assigned accordingly to the eligibilities they held.

Apart from this, earlier there used to be classifications of ministers based on their eligibilities called as Buddh Sachivaru, well versed in intellectual disciplines, monitoring and controlling who could be related to Key Managerial Personnels in today’s context and Karma Sachivaru, who could be related to other Managerial level executives good in obliging the instruction honestly and fairly.

This ancient legacy of eligibility criteria for good administrators has resulted today in increasing number of Global CEO’s being Indian-origin. According to a study in Harvard Business Review, as of mid-2013, India’s export share of Fortune Global 500 Company CEOs—that is, CEOs who are heads of companies headquartered in a country not their own — is 30 percent.

Peer Review Policy:
Peer review means evaluation of work by one or more people of similar competence to the producers of the work (peers). This policy is implemented in few corporations to assess the efficiency of the work and operations carried on by the personnel in par of Global standards for corporate governance practices. Similarly in early days, the ministers were subjected to timely evaluations of the eligibilities they held for handling a portfolio and this was called as ‘Upadha Vidhaana’ which could be similarly related to the Peer Review policies of corporations where they test the Managers for their performance and output displayed over a period of time.

Key Managerial Personnel
Companies Act 2013 prescribes that Every company belonging to such class or classes of companies as may be prescribed shall have the following whole-time key managerial personnel,—
(i) Managing director, or Chief Executive Officer or manager and in their absence, a whole-time director;
(ii) Company Secretary; and
(iii) Chief Financial Officer

Similarly, in those days the four Key Managerial Positions besides a king was
(i) Prime Minister (Prajapatinidhi) who used to be the close friend of king and also a chief administrator
(ii) Chaplain (Purohita) who used to be the controller and preacher of Dharma and was also called as ‘Dharmaadhhikara’
(iii) Commander in Chief (Senapati) who used to control all wings of armed forces
(iv) Prince (Yuvaraja) – He used to be the successor of

References:
17 I PUC Karnataka History, 2008-09, Pg. 54-55
18 Ibid, Pg. 175
19 Sec 177 (2)
20 Rajyashashtra, KJ Suresh, 2012, Pg.410-412
21 Ibid Pg. 415-417
22 Ibid Pg. 415-417
23 Rajyashashtra, KJ Suresh, 2012, Pg. 416
24 Ibid
26 https://hbr.org/2014/03/are-ceos-really-indias-leading-export
27 https://en.wikipedia.org/wiki/Peer_review
28 Rajyashashtra, KJ Suresh, 2012, Pg.416
29 Sec 203 (1)
the current king and other function was to visit other court empires representing his kingdom on official visits.

Despite the functionary aspects differ with current portfolios in the context of corporations, it brings us to the understanding that there was the practice of assigning key functionary to a crucial division and holding it high at the office hierarchy thereby governing accordingly.

Miscellaneous:
According to Corporate Governance standards usually practiced, there are two broad classification of control studies as External Control and Internal Control which could be similarly seen in Manusmriti stating two types of control of thieves, one as External Thieves i.e. Bahiranga whose presence is outside the premises of kingdom and the other one Internal thieves i.e. Rahasya whose presence is within the premises of kingdom.

In an atmosphere of all round corruption, honesty becomes a virtue and not a desired duty. Kautilya argued for advertising the cases of increase in revenue due to the honest and dedicated efforts of the superintendents by giving rewards and promotions. Bestowing public honor creates a sense of pride and boosts the motivation and morale of honest officials. They act as role models for ideal youngsters who wish to join the administration and serve the state.

Kautilya also proposed a number of measures to avoid cases of corruption arising at all. Several positions in each department were to be made temporary. Permanency for such positions was to be reserved as an award granted by the king to those who help augment revenue rather than eating up hard earned resources. Kautilya also favored the periodic transfer of government servants from one place to another. This was done with the intention of not giving them enough time to pick holes in the system and manipulate it to their advantage.

Kautilya wrote that “dispensing with (the service of too many) government servants... [is] conducive to financial prosperity”. This is not only because of the reduction in expenditure on salary but rightsizing the bureaucracy also results in faster decision making and the transaction of government business without unnecessary delay and red tape. This effectively reduces the scope for bribery in particular and corruption in general.

It is interesting to note that the superintendents could not undertake any new initiative (except remedial measures against imminent danger) without the knowledge of the king. Kautilya, therefore, laid emphasis on some kind of an accountability mechanism. Apart from using the services of spies for unearthing cases of fraud, Kautilya also talked about an intra-departmental, self-scrutinizing mechanism under the headship of chief officer (adhikarna) to detect and deter imminent cases of corruption.

Kautilya also warned at the same time about providing wrong information or not being able to prove the accusations. He advocated either monetary or corporal punishment for such informants so that the tool could not be misused for settling personal scores and harassing genuine officials. If an informant himself were to backtrack on the assertions he made against the accused, Kautilya suggested the death penalty for him. This provision was not only draconian, but would have effectively discouraged whistleblowers. While such provisions would certainly make people think twice before leveling accusations, the threat of capital punishment was too harsh to help people root out the corrupt.

INDIGENOUS VALUES, WISDOM & WESTERN CORPORATE GOVERNANCE THEORIES & BRITISH INDIA
Agency theories arise from the distinction between the owners (shareholders) of a company or an organization designated as

---

30 Rajyavashstra, KJ Suresh, 2012, Pg.399
31 IDSA Issue Briefs, Corruption in Administration, Tarun Kumar, October 2012
32 Ibid
33 Ibid
34 Ibid
“the principals” and the executives hired to manage the organization called “the agent.” The assumption is that the principals suffer an agency loss, which is a lesser return on investment because they do not directly manage the company. Part of the return that they could have had if they were managing the company directly goes to the agent.36 Stewardship theories argue that the managers or executives of a company are stewards of the owners, and both groups share common goals.37 Therefore, the board should not be too controlling, as agency theories would suggest. The board should play a supportive role by empowering executives and, in turn, increase the potential for higher performance.38 Stewardship theories argue for relationships between board and executives that involve training, mentoring, and shared decision making.39 This is very relatively in resemblance to that of the ancient kaulitly state where King is the keystone to the political arch. All authority revolves around the king.40 This is very similar to the concept of King being an agent of well-being sent by the gods for the welfare of the people. The king is himself under the Law which he is supposed to obey himself. He is a public servant41, for, as Kautilya says, in the happiness of his subjects lies the king’s happiness, in their welfare, his welfare. He shall not consider as good only that which pleases him but treat as beneficial to him whatever pleases his subjects.4243 The king himself is bound by the dictates of the Dharma which finds expression in the ancient sayings and works. The king rules to enable him safeguard and protect his subjects.44 King acts as stewards and also as agents when interpreted from the prism of Arthashastra.

Coming to Stakeholders theory, Stakeholder theories are based on the assumption that shareholders are not the only group with a stake in a company or a corporation. Stakeholder theories argue that clients or customers, suppliers, and the surrounding communities also have a stake in a corporation. They can be affected by the success or failure of a company. Therefore, managers have special obligations to ensure that all stakeholders (not just the shareholders) receive a fair return from their stake in the company.45 Stakeholder theories advocate for some form of corporate social responsibility, which is a duty to operate in ethical ways, even if that means a reduction of long-term profit for a company.46 Similarly, Arthashastra describes The Maintenance of Public Sanitation and Preservation of Environment, Forest and Wildlife. Even In The Affairs Of The State, The Administration And The Ruler Were Directed To Preserve And Promote Environmental Welfare. In The Arthashastra, Kautilya Suggests The Need To Develop Abhayaranya Or Abhayavana, Forest And Animal Sanctuaries, Where Trees And Animals Would Both Reside Free From The Fear Of Slaughter. Kautilya Also Prescribed The Post Of A Forest Superintendent And Penalties For Poaching And Causing Damage To Forests, Especially Productive Ones.47 Also a Verse From Rig-Veda Says, “Thousands And Hundreds Of Thousands And Hundreds Of Thousands Are Supposed To Help Others and Should Engage Themselves In The Welfare Of Needy Subjects And To Give Them Food, Clothing And Other Necessities Of Life.”

With the arrival of the British colonial officials, Manusmriti played a historic role in constructing a legal system for non-Muslims in South Asia and early Western perceptions about the ancient and medieval Indian society.48 In the 18th century, the earliest British of the East India Company acted as agents of the Mughal emperor. As the British colonial rule took over

In early days, the ministers were subjected to timely evaluations of the eligibilities they held for handling a portfolio and this was called as ‘Upadha Vidhaana’ which could be similarly related to the Peer Review policies of corporations where they test the Managers for their performance and output displayed over a period of time.

Years If You Want To Enjoy The Fruits And Happiness Of Life Then Take Up Systematic Planting Of Trees.

Kautilya in Arthashastra also stated that happiness cannot be obtained by wealth and profit alone but only by doing things rightly and doing right things, i.e., sukhaya mulam dharma.49 Kautilya also maintained that a leader (king) should have no self-interest, happiness and joy for himself. His satisfaction lies in the welfare (happiness) of his people.50 The same advice can also be found in Shanti Parva of the Mahabharata given by Bhism to Yudhisteira for founding and sustaining good governance, wherein the public interest (welfare) is to be accorded precedence over the leader’s interest.515253 So, if we look at business organisations as a leader or a king, then they are supposed to help others and should engage themselves in welfare of the society. Muniapan and Dass in their study on Vedic CSR highlighted a similar development of CSR in the ancient India. Early conceptualization of CSR was broadly based on religious virtues and values, such as honesty, love, truthfulness and trust.54 This argument suggests that those who do not practice such values are deemed to be unethical.5556 One among the 10 virtues of governance as given under Buddhist principles is Dana i.e. it is the duty of the rulers to look after the welfare of needy subjects and to give them food, clothing and other necessities of life.57

With the arrival of the British colonial officials, Manusmriti played a historic role in constructing a legal system for non-Muslims in South Asia and early Western perceptions about the ancient and medieval Indian society.58 In the 18th century, the earliest British of the East India Company acted as agents of the Mughal emperor. As the British colonial rule took over
the political and administrative powers in India, it was faced with the various state responsibilities such as legislative and judicial functions. The existing legal texts for Muslims, and resurrected Manusmriti manuscript thus helped the colonial state sustain the pre-colonial religious and political law and conflicts, well into the late nineteenth century.62 The substance of Hindu law, was derived by the British colonial officials from Manusmriti, and it became the first Dharmasatra that was translated in 1794.63 Manusmriti, thus played a role in constructing the Anglo-Hindu law, as well as Western perceptions about ancient and medieval era Hindu culture from the colonial times.64

CONCLUSION

Sankaracharya quotes from Manusmriti ‘Satyam Bruyat Priyum Bruyat Na Bruyat Satyam Apriyam Priyam Cha Na Anritam Bruyat Yesha Dharma Sanatanah’ which literally means to speak the truth. Utter what is pleasant. Statements which are untruthful and unpleasant must not be uttered. Utterances which lead to selfish benefits even if truthful have to be avoided. Similarly untruthful statements must not be uttered even if they can lead to seemingly beneficial results. This is dharma eternal. And as Taittiriya Upanishad quotes “Satyanna pramaditavyam” which means do not swerve from the path of righteousness.

Internalizing the above study brings us to the understanding that Corporate governance in its varied forms existed way back in the ancient days and the same substance paved for the evolution of governance mechanisms in today’s context of corporate governance. Honest and ethical conduct has been prescribed at almost all the ancient treatise on administration. Rule of Law has been the enforced impartially with respective authorities being supplemented with definite powers and functions. Social concerns and social sensitiveness has been existent as discussed under CSR via the perspective of ancient Indian wisdom on governance. Accountability has been structured formally through the form of hierarchy in ancient administration and the same has been accepted to be obliged in complete transparent manner.

We find it stated in Guatama (X. 49) that the additional (occupations) of a Vaisya are, agriculture, trade, tending cattle and lending money at interest.65 This list must be taken to include at least all the important occupations of the people at large, which were within the purview of the writer, and so it becomes significant when he says in the very next chapter (XI, 21) that “cultivators, traders, herdsmen, moneylenders and artisans (have authority to lay down rulers) for their respective classes. Having learned the (state of) affairs from those who included at least all the important occupations of the people at large, which were within the purview of the writer, and so it becomes significant when he says in the very next chapter (XI, 21) that “cultivators, traders, herdsmen, moneylenders and artisans (have authority to lay down rulers) for their respective classes. Having learned the (state of) affairs from those who in each case have authority (to speak he shall give) the legal decision”66. The Yagnavalyaka Samhita reports that the guilds could possess corporate property, and lay down rules and regulations corresponding to the "Articles of Association" of the present day.67 The representatives often transacted business with the court in their name and were held in high respect. Some pure and virtuous men were appointed as their executive officers (Karyachintakka). It is clear from the line “Karttavyam vachanam tesham samuhahitava linam” that these officers possess executive authority over the members of the corporation and could visit with punishment anyone who disobeyed their decisions. They were bound, however, by the laws and usages of the corporation and if they violated them in the exercise of their authority and there was dissension between them and the general members, the king had to step in and make both parties conform to the established usage.672 These makes us believe that there was a definite organization setup for all the above given occupational areas and to be judiciously managed and thereby puts us into the belief that there were governing mechanisms existent so as to control the transactions visible. These extracts provide us necessary inputs to understand the governance mechanism of ancient India and thereby understanding its impact and remnants in modern corporations. Therby it becomes very necessary for us to evoke our consciousness towards the native knowledge and unwrap the constituents in its application and be a global torchbearer in corporate governance standards. To end with Rig-Veda’s quote “Bahujana sukhaya bahujana hitayacha” – the welfare of the many; the happiness of the many is deeply rooted in the central philosophy of Indian Administration and Governance.

BIBLIOGRAPHY

1. N.D Arora & S.S Awasthi, Political Thought & Political theory, ISBN 8124111642 9788124111642
2. Samagra RajyaShashtra (Kannada), K.J.Suresh, 2012
3. Ancient India, V.D.Mahajan, 2014
4. Prachna Bharata (Kannada), M.S.Rajnikant, 1999
5. I PUC Karnataka History Text Book (Kannada), H.R.Krishnamurthy & K.N.Ashwathappa, 2008-09
6. IDSA Website
7. mondaq.com
8. Wikipedia
12. Bhagavad Gita As It Is by Swami Prabhupada
13. The Upanishads by Swami Nikhilananda
14. Corporate Chanakya by Radhkrishnan Pillai, 2017
17. Corporate governance, A.C.Fernando, 2009
18. Corporate Governance, Dr.C.L.Bansal, Dec 2005
19. Corporate offences, Dr.Sanjeev Kumar, 2005
20. The Philosophy of Democratic Administration, Swami Ranganathananda, Jan 2010

64 Donald Davis (2010), The Spirit of Hindu Law, Cambridge University Press
66 Manusmriti, 4-138
67 Taittirya Upanishad, 1-11-1
68 The Sacred Laws of the Aryas translated by Georg Bühler, Part I: Âpastamba and Guatama (Sacred Books of the East, Volume 2.) Ch.10, Pg.232
69 Ibid Ch.11, Pg.237

71 Ibid, p. 12
72 Study by Sunita Singh Sengupta on Ancient Indian corporate entities: Structure & Functioning, 2017
73 Coleman 1973, p. 27
What is not mentioned or discussed in ancient Indian ethos and philosophy is not in existence in the world and we Indians have every reason to be proud of it. Of late we hear a lot about Corporate Social Responsibility (CSR) and Corporate Governance (CG). Huge emphasis is being given for achieving better and more transparent Corporate Governance among the Regulators, Corporate, Professionals and Investors. The kind of discussions at various forums makes one to feel as if governance is a newly invented and most desired angel. For some it may be a demon too!

India is a land of governance more specifically, self-governance. Lots of stories are told and heard by till recent generation about the governance, its importance and benefits in our life and the importance of sharing wealth with needy. For generations, Indians built their living around governance and self-governance only. In this article an attempt has been made to read through Thirukkural written by Saint Thiruvalluvar in Tamil language and his avowals on governance and social responsibilities. Thirukkural, written more than 2000 years ago, is a moral code and is divided into 3 sections. The first on Virtue, the second on Wealth and the third on Love. Most of the couplets in the first two sections refer to the best way of life that one should lead.

India is a land of governance more specifically, self-governance. Lots of stories are told and heard by till recent generation about the governance, its importance and benefits in our life and the importance of sharing wealth with needy. For generations, Indians built their living around governance and self-governance only. In this article an attempt has been made to read through Thirukkural written by Saint Thiruvalluvar in Tamil language and his avowals on governance and social responsibilities. Thirukkural, written more than 2000 years ago, is a moral code and it is one of the few works translated into almost all the languages of the world. Thirukkural consists of 1330 aphorisms grouped into 133 chapters of ten couplets each. Thirukkural is divided into 3 sections. The first on Virtue, the second on Wealth and the third on Love. Most of the couplets in the first two sections refer to the best way of life that one should lead. Thirukkural is translated into more than 50 languages worldwide. In this article, the English Translation by Rev. G U Pope, Rev. W H Drew and Rev. John Lazarus from the book published by M/s. Kumaran Publications, Chennai has been followed. Further, references from the book “Tirukkural with English Translation and Explanation” by Dr. S M Diaz has also been taken liberally. Each of the Kural referred to in this article is is given the Sanskrit translation. Further, all the great scholars who have done great service to the society have also been covered by translating such great work in Sanskrit.

A few couplets from the first two sections have been considered to bring in an introductory to my fellow professionals that governance is not new to this country and indeed our country was the torch bearer to the world when it comes to governance. Couplet (Kural) No.33 reads as follows:

Ollum vakaiyan aravinai ovate
Cellum vayellan ceyal.
The men of virtue, who have a clear understanding of their functions, as trustees of the society around them will not fail in their socially beneficial duties because of strained circumstances. They will continue to give even if it hurts them. This is in fact an instruction to the corporate that even if they are not generating profit enough, it is part of their duty to take care of the society and to continue to do good to the society.

The right type of benevolence i.e., to distribute it dutifully for the benefit of all the deserving in society. What more needs to be told for CSR activity? Similar principle is also advocated in Christianity, wherein Lord says, “As you did it to one of the least of those my brethren, you did it to me.” (Matt. 25:40). The principle here is not giving alms to others but a service in return to the society. Gandhiji preached and practised this idea of positive helpfulness till his end. This is an important economic philosophy advocated by Thiruvalluvar more than 2000 years ago. A good CSR code indeed!!

The men of virtue, who have a clear understanding of their functions, as trustees of the society around them will not fail in their socially beneficial duties because of strained circumstances. They will continue to give even if it hurts them. This is in fact an instruction to the corporate that even if they are not generating profit enough, it is part of their duty to take care of the society and to continue to do good to the society.

Corporate are made of individuals. If every individual understands his or her responsibility towards the society, and fulfils it irrespective of one’s own capabilities, where is the need for us to have a law insisting for CSR?

Couplet (Kural) No. 515 reads as follows:

Talarrit tanta porulellam takkarkku
Velanmai ceytar poruttu.

Translation of the same in Sanskrit would read as:

Arintarric ceykirparku allal vinaitan
Cirantanenru evarpar ranru

The purpose of working hard and earning wealth is to practice the right type of benevolence i.e., to distribute it dutifully for the benefit of all the deserving in society. What more needs to be told for CSR activity? Similar principle is also advocated in Christianity, wherein Lord says, “As you did it to one of the least of those my brethren, you did it to me.” (Matt. 25:40). The principle here is not giving alms to others but a service in return to the society. Gandhiji preached and practised this idea of positive helpfulness till his end. This is an important economic philosophy advocated by Thiruvalluvar more than 2000 years ago. A good CSR code indeed!!

The men of virtue, who have a clear understanding of their functions, as trustees of the society around them will not fail in their socially beneficial duties because of strained circumstances. They will continue to give even if it hurts them. This is in fact an instruction to the corporate that even if they are not generating profit enough, it is part of their duty to take care of the society and to continue to do good to the society.

Corporate are made of individuals. If every individual understands his or her responsibility towards the society, and fulfils it irrespective of one’s own capabilities, where is the need for us to have a law insisting for CSR?

Couplet (Kural) No. 515 reads as follows:

Work should be entrusted to men of expert knowledge and
painstaking application, 
And not merely to the king’s favourites.

Do we need an explanation for this? How better one can explain the importance and appointment of Key Managerial Personnel in a corporate environment than Thiruvalluvar? The King should appoint only men with proven ability and knowledge to important positions. We can easily replace the reference to the King to the Corporate and all the rules and regulations relating to Key Managerial Personnel is described just in two lines with eight words.

In couplet 466, Thiruvalluvar says:

*Ceyttakk aalla ceyakketum ceytakka*  
Ceyyamai yanum ketum.

Translation of the same in Sanskrit would read as:

466 ¥·¤ÌüÃØSØ ·¤ÚU‡æ¢ ·¤ÌüÃØSØ çßâÁüÙ×÷Ð  
§ˆØðÎÎéæØ¢ Ùë‡ææ¢ çßÙæàææSÂÎç×cØÌðÐÐ

English translation of the above couplet reads as follows:

Doing what is forbidden as well as not doing the obligatory,  
Are both equally ruinous courses.

A similar version is also found in Gita. “Performance of action is superior to renunciation of action” (Gita: V,2).

“Do thou always perform actions, which are obligatory, without attachment, by performing action without attachment, one attains to the highest.” (Gita, III 19)

This is the essence of Corporate Governance. Be transparent. Display all your efforts. Do what is to be done under law. Do not avoid your actions thinking of better results or actions. It will be ruinous for any corporate today to avoid what it is expected to perform under the law.

Corporate Governance is not just adhering to the statutory obligations and laws of the land. It includes proper analysis and usage of the available resources for better achievement and higher results systematically for effective performance of Management.

In couplet 675 Thiruvalluvar says:

*Porul karuvi kaalam vinai itanotu aintum*  
Irultira ennic ceyal

Translation of the same in Sanskrit would read as:

675 ¼ýÃØ·¤æÜç·ý¤ØæãðÌéSÍÜæÙæ×Ùé·ê¤ÜÌæ×÷Ð  
†÷¿æÙæç çßSÂcÆ¢U ÕéŠßæ ·¤æØZ çߊæèØÌæ×÷ÐÐ

English translation of the above couplet reads as follows:

Resources, means and action-plan as well as time and place  
are the five factors,  
which need to be considered and cleared, before embarking on action

Governance is using the available resources effectively and to ensure that necessary resources are available before embarking on any action so as not to waste the other available resources. This is possible only with proper planning, analysis of financial viability and economic feasibility. When an action is done with proper planning, it is well began and will result in growth for the organisation.

In continuation of the above in couplet 676 Valluvar says, “Before commencing any action, it is wise to consider in depth the objective, obstacles, as well as benefits or reactions on completion. Translation of the same in Sanskrit would read as:

676 ç·ý¤ØæâÕ狊æÙæð ØÌ÷ÙæÙ÷ ç߃æAæÙ÷ âÖæçßÌæÙ÷ ÌÍæÐ  
¥‹Ìð ×ãUæÈ¤ÜÂýæç#¢ ˜æØ¢ ÕéŠßæ ç·ý¤Øæ¢ ·é¤L¤ÐÐ

Very true! This holds good not only for individuals in their personal life but also for Corporate. What we need to understand is that any decision by a Corporate should be based on proper planning, analysis of good that may result for the stakeholders. Ultimately, the interest of the stakeholders should be kept high. This is the true Corporate Governance. Good governance is possible only when good resources are used appropriately and at appropriate time. Employing the right people is very important for an organisation in achieving
its objectives. Thiruvalluvar knows the importance of employing the right people at the right place. Therefore, he has dedicated one full chapter with ten couplets on “Employment of chosen men”. In couplet No.511, he says:

_Nanmaiyum timaiyum naadi nalampurinta_  
Thanmaiyaan alap patum._

Translation of the same in Sanskrit would read as:

511 सन्नाताय तिन्नाताय नादी नालम्पुरिन्ताः  
सान्नाताय अलाप पतुम।

Everybody is good unless proved otherwise is universally accepted. In the above couplet, Valluvar says that on assessing the good and evil that men do, the choice for public service, will be only on the basis of their good performance. Performance decides the purpose of existence in a corporate world. Either employment of people or any resources, if does not provide the desired result or yield then it is of no use and deserves to be discarded. Hence, it is essential to have not just a performance but good performance that ensures proper governance of the resources.

How one can contribute for achieving the highest level of governance? There could be hundreds of answers for this. Buddha says, “Be detached from worldly desires.” J. Krishnamurthy says, “There is nothing called detachment. One is always attached to something.” According to him being attached to a good thought would be far better than being thoughtless. Thiruvalluvar in couplet No.513 says that the four essential and vital qualifications for selection of a person for a highest post be it in government or in a body corporate are “Affectionate loyalty, discriminating mind, decisiveness and freedom from desires”. If the leader is clean minded so be his subjects.

Translation of the same in Sanskrit would read as:

513 ज्ञान प्रीतिरक्तलुक्य निराशा वनस्पति ।  
गुप्तंतं समापत्ति राजकायं निरोपजाताम।

Several Corporate frauds, scams and scandals have occurred in the recent past not only in India but worldwide, raising the anxiety of the regulators as well as the common men about the way governance is practiced in Corporate world. Each of such frauds and scams involves theft of crores of rupees belonging to lakhs of people who suffer from unemployment, sickness and loss of investment by small and gullible investors. If such frauds are not controlled, they do have the potential to spoil the economy. It is in this context the importance of Thirukural is felt. Thirukural is abound with necessary guidance for good governance not only in one’s personal life but also for corporate, government, people with authority, in fact in almost every field of life.

A great corporate governance principles should aim at generating, nurturing and sustaining wealth not just to the corporate but to all its stakeholders and equally distribute it among all. In Chapter 39, couplet 385, Valluvar says:

_Iyartralum eetalum kattalum kaaththa_  
Vaghuthalum valladhu arasu._

Translation of the same in Sanskrit would read as:

385 कुंवर्धनाभिनन्दनर्मयोद्धवोऽवलोकनम् ।  
रक्षकं द व्यायामः वायकां परमेश्वरीम।

The English translation of the above couplet reads as follows:

A great king will be able to acquire wealth, develop and guard it; for equitable distribution on State expenditure and public good.

Though in the above couplet the reference is made to the King and the Government, we can directly connect it to a Corporate and its top management team. The object of any business is to make profit legally. Valluvar says that, yes, acquiring wealth is important, what is more important is equitable distribution of it among the stakeholders and for public good. This is the spirit of CSR that is being discussed today. Nobody could remain rich at the cost of others. Wealth, if distributed among the public multiplies faster and helps faster growth of economy.

Thiruvalluvar has written hundreds of such couplets through which he insists for self-governance, trust, honesty, transparency, goodwill, support to needy etc. Let us be clear and understand very clearly that governance is not new to us. Our cultures, our society, our way of life are all built around governance. Our granny stories are another example of how goodness, respect to others not barring animals, and lot of other good inter personnel qualities were injected into our mind / brain for us to lead a life governed by our own principles.

Today, we are required to remind ourselves the need for transparency, goodwill, good governance through various legislations in view of the fact that, we have come a long way from the simple life style that our forefathers followed.

My sincere thanks to:

2. Dr. S M Diaz author of “Tirukkural with English Translation and Explanation”.
3. All authors who have translated Thirukkural into Sanskrit.
Lessons in Corporate Governance from Kautilya’s Arthashastra and Various Scriptures from Ancient India

**INTRODUCTION**

India is a country of high values and ethics. It is a land where people of all religion and cultures, with difference in languages, beliefs and social background stay together. Various scriptures written by great men of ancient times, of all the religious backgrounds, speak more or less of the same concepts. Also, all their teachings, preaching and writings can provide as a guide for an Effective Governance. The teachings from the Indian holy books and scriptures are a good answer to this which guides us how both Ethical and Effective Corporate Governance can go together.

The various scriptures written by great men of ancient times, of all the religious backgrounds, speak more or less of the same concepts. Also, all their teachings, preaching and writings can provide as a guide for an Effective Governance. The teachings from the Indian holy books and scriptures are a good answer to this which guides us how both Ethical and Effective Corporate Governance can go together. Research suggests that the encouragement of philosophy and religious principles in business can lead to benefits in the areas of creativity, honesty and trust, personal fulfillment and commitment which ultimately leads to increased corporate and business performance.

Philosophy and religion also have a significant impact to business and management as research suggests that the encouragement of philosophy and religious principles in business can lead to benefits in the areas of creativity, honesty and trust, personal fulfillment and commitment which ultimately leads to increased corporate and business performance.

**CORPORATE GOVERNANCE – A PHILOSOPHICAL APPROACH (KAUTILYA’S ARTHASHASTRA)**

The Philosophical approach to Corporate Governance deals with what is ethically permissible and what is positively virtuous in regard to leading an organization. Kautilya’s Arthashastra written thousands of years ago is still applicable in today’s Corporate Management and opens many new areas of management concepts that can be practiced in the modern management practices. It provides a complete manual for running a state or an organization efficiently in all the branches – Legislature, Executive and Judiciary. It includes all aspects of administration such as establishing a governing hierarchy, selecting people, levying taxes, laying down laws, decide punishments for breaking law etc.

Kautilya also specified that a King (Leader or CEO in the context of an organization) should have no self-interest, happiness and joy for himself. His satisfaction should lie in the welfare of his people or his team. A leader has to submerge his personality into the larger personality of his team. A leader has to consider all that is beneficial to his subjects and pleases his subjects.

“Bahujana Sukhaya Bahujanahitayacha” – The welfare of the many and the happiness of the many. This concept of happiness of many needs to be integrated into the area of Corporate Governance as the basic principle. This ancient wisdom is also reflected in other languages.

Kautilya’s approach enshrined the “State as an institutional necessity for human advancement” and then prescribed in details all the actions to be taken by the ruler of the state. His elaboration of the main dictum of the Hindu philosophy – "Bahujan Sukhaya
In ancient India, the leader is often compared to the rain clouds which bestow benefit through rain (actions), to all and sundry equally. In the context of Corporate Governance, the organization leader has to be a catalytic change agent. The Arthashastra views are wider and more comprehensive in this regard. Kautilya laid down three main responsibilities of a leader, they are Raksha – Security, Palan – Growth and Yogakshama – Welfare. which bestow benefit through rain (actions), to all and sundry equally. In the context of Corporate Governance, the organization leader has to be a catalytic change agent. The Arthashastra views are wider and more comprehensive in this regard. Kautilya laid down three main responsibilities of a leader, they are Raksha – Security, Palan – Growth and Yogakshama – Welfare. He believed that the leader should study four branches of knowledge: Philosophy, Scriptures, Economics and Politics, because these are basics for training in spiritual welfare and material wealth. He also added that an ideal king is one who has highest qualities of leadership, intellect, energy and personal attributes and a king had to observe an exemplary conduct himself. He had no private life and all his actions were subject to public scrutiny. There is ancient Vedic saying also - "Yatha Raja Thatha Praja " – “the character of the King determines the character of the citizens”.

CORPORATE SOCIAL RESPONSIBILITY

The corporate definition of ethics lies in knowing about actions that are good and bad and also treating everyone with respect. Kautilya in Arthashastra stressed the importance of happiness in an organization. According to him - "Sukhasya Moolam Dharma" which means that happiness is obtained not only by wealth and profit but also by doing things rightly and doing right things. Kautilya also added that "Dharmasya Moolam Artha" which means that Dharma without wealth is toothless and wealth without dharma is useless.

Kautilya further stated that to generate wealth you require an organization or an asset - "Arthasya Moolam Rajyam". He then stated that the support for organization is the body organs - "Rajvasya Moolam Indrivajayah" –their functions, processes, activities etc. The victory over organs of the body which is the literal meaning of the word "Indrivajayah" is a well known concept in the Indian culture and this refers to the control over the five sense organs (eyes, ears, tongue, nose and skin) and on five organs of action (speech, hands, feet, excretion and reproduction). Conquering the body organs are manifested through control over the six enemies of the mind - desires (Kama), Anger (Krodha), Greed (Lobha), Arrogance (Mada), Infatuation (Moha) and envy (Matsara). Only the leader of an organization who has conquered these enemies can retain their prosperity and (will) be successful in their endeavors. These are the first 10 Chanakya Sutras which say that, “Those who have vanquished their baser selves will become prosperous naturally, can retain their prosperity, and (will) be successful in their endeavors.”

CORPORATE GOVERNANCE – A PHILOSOPHICAL APPROACH WITH REFERENCE TO ANCIENT SCRIPTURES OF INDIA

The golden words of the scriptures guide us even today’s corporate scenario and they still have relevance in the Corporate Governance.

THE RAMAYANA AND THE MAHABHARATA

One can easily co-relate the modern-day Management Lessons with Lord Rama’s teaching in Ramayana. Lord Rama presents the example of “Leading by Value”. He has tactfully presented how to

Bahujan Hitaya” - Enunciated in the Rigveda in Sanskrit says that «public welfare lies in the happiness of the masses» and this was interpreted with the following shloka: “Praja Sukhe Sukham Rajyaha Prajanamchya Hitehitam, Natma Priyam Hitam Rajanaha Prajanam Cha Hitam Priyam”.

“In the happiness of his public rests the king’s happiness, in their welfare his welfare. He shall not consider as good only that which pleases him but treat as beneficial to him whatever pleases his public.

Two thousand years ago, Thiruvalluvar in Tamilnadu wrote the “Thirukkural” and just like Kauitlyaa’s Arthashastra, he also dealt with the characteristics of well-run administration or socially responsible organization. Thiruvalluvar while explaining the responsibility of a king (leader) stated that, “The King who administers justice and protects his people will be considered of divine quality “(“Murai Saithu Kapatrum Munnavanakkalkku Iraiventru Vaikkapadum”). Thiruvalluvar also says that the king protects the world and if he acts according to justice or dharma then justice itself will protect him.

“Dharma, when destroyed, destroys; Dharma protects when it is protected. Therefore Dharma must not be violated, Otherwise violated Dharma destroys us”.

“Dharma Rakhatirakshitha”. It was believed that if a person rules according to dharma, that dharma itself will protect him. Sri Rama had to make the painful decision to Banish Sita from Ayodhya and this decision seems to be harsh for us but the king sometimes needs to be harsh as the first duty of the king is to rule his people while other considerations are secondary even if they affect personal happiness. Sri Rama as an ideal king had to uphold the honor of his dynasty and he was expected to set examples for all generations to follow. There are also similar advice in Shantiparva of the Mahabharata wherein the public interest (welfare) is to be accorded precedence over the leader’s interest. Thus a leader should without doubt look upon the subjects as his children. In determining their disputes, he should not show compassion and has to be impartial while performing his duties.

In ancient India, the leader is often compared to the rain clouds which bestow benefit through rain (actions), to all and sundry equally. In the context of Corporate Governance, the organization leader has to be a catalytic change agent. The Arthashastra views are wider and more comprehensive in this regard. Kautilya laid down three main responsibilities of a leader, they are Raksha – Security, Palan – Growth and Yogakshama – Welfare.
tackle situations. When Vibhishana asked him that how will he defeat the huge army of Ravana with limited resources, Rama explained him by using the example of chariot, whose four wheels denote: character, courage, ethics and valor; the four horses denote: gusto, strength, energy and passion; and their four reins denote: forgiveness, compassion, consistency and equanimity. Thus the weaponry: knowledge, strategy, intelligence, skills, commitment and a restraint of ego- are the weapons which can help us win any kind of battle.

Sri Rama explained that a leader has to be consistent in his approach to different people, no matter who they are and where they are coming from. Thus the Epic Ramayana gives us an example of a good manager in Rama, Sugriva, Vibhishana and that of a bad manager in Ravana. Other aspects of the team management can be seen by the High Motivation provided by Jamvant to Hanuman when he claimed that he had forgotten his powers. To recognize strength, weaknesses, opportunities and threats of Ravana’s army Hanuman does SWOT analysis when he was asked to convey Rama’s message to Goddess Sita. This is a very good example of Strategic Alliance formed by Lord Rama and Sugriva which helped them to find Sita and win Ravana. Lord Rama in Ramayana has thus proved that a manager who can nurture good relations with the employees, clients, and anyone in whose contact the organization and the management comes in, can do wonders in the company.

Hindu scriptures describe in detail the qualities, or, to be more specific, the abilities, capacity and suitability of a person to attain the position of leader. Various Upanishads, Vedas, Smritis, and other ancient Indian scriptures also contain teachings which can be directly or indirectly applied to management ethics. The Taittiriya Upanishads lays down the qualifications of those who are worthy of being looked up to as precedents. The Vedas contain various concepts such as knowledge management, relationship marketing, quality system, change management, time management, etc.

Gita also tells us about the commitment towards work through the law of detachment.

"Lord Krishna warns Arjuna that he needs to lead by example. Viewed from the perspective, leaders hands are tied, they lose the degrees of freedom and the whole world will keenly watch the leaders’ action and blindly follow the leaders." (Chapter 3, 21st Shloka)

Vidura talks about four essential qualities of leaders: “self-knowledge, initiative, forbearance, steadfast in core values”.

THE BHAGAVAD GITA

Bhagavad Gita contains the guidelines, teachings and values taught by Lord Krishna to Arjuna during the battle of the Mahabharata. The modern management concepts like vision, leadership, motivation, excellence in work, achieving goals, meaning of work, attitude towards work, nature of individual, decision making, planning etc., are all discussed in the Bhagavad Gita with a sharp insight. When Duryodhana and Arjuna were asked to choose among Lord Krishna’s army or his knowledge, Duryodhana went for his large army while Arjuna went for his wisdom. This shows that in terms of resources, a manager or a leader must choose wisely and utilize optimally just as Arjuna did.

OTHER SCRIPTURES

Hindu scriptures describe in detail the qualities, or, to be more specific, the abilities, capacity and suitability of a person to attain the position of leader. Various Upanishads, Vedas, Smritis, and other ancient Indian scriptures also contain teachings which can be directly or indirectly applied to management ethics. The Taittiriya Upanishads lays down the qualifications of those who are worthy of being looked up to as precedents. The Vedas contain various concepts such as knowledge management, relationship marketing, quality system, change management, time management, etc.

Lord Krishna warns Arjuna that he needs to lead by example. Viewed from the perspective, leaders hands are tied, they lose the degrees of freedom and the whole world will keenly watch the leaders’ action and blindly follow the leaders.” (Chapter 3, 21st Shloka)

Vidura talks about four essential qualities of leaders: “self-knowledge, initiative, forbearance, steadfast in core values”.

THE BHAGAVAD GITA

Bhagavad Gita contains the guidelines, teachings and values taught by Lord Krishna to Arjuna during the battle of the Mahabharata. The modern management concepts like vision, leadership, motivation, excellence in work, achieving goals, meaning of work, attitude towards work, nature of individual, decision making, planning etc., are all discussed in the Bhagavad Gita with a sharp insight. When Duryodhana and Arjuna were asked to choose among Lord Krishna’s army or his knowledge, Duryodhana went for his large army while Arjuna went for his wisdom. This shows that in terms of resources, a manager or a leader must choose wisely and utilize optimally just as Arjuna did.

OTHER SCRIPTURES

Hindu scriptures describe in detail the qualities, or, to be more specific, the abilities, capacity and suitability of a person to attain the position of leader. Various Upanishads, Vedas, Smritis, and other ancient Indian scriptures also contain teachings which can be directly or indirectly applied to management ethics. The Taittiriya Upanishads lays down the qualifications of those who are worthy of being looked up to as precedents. The Vedas contain various concepts such as knowledge management, relationship marketing, quality system, change management, time management, etc.

Niti Shastra is an ancient India Classic on Leadership, teaching primary ethics and principles of right behavior. It remains particularly relevant today in which this subject is an important part of education and management. The text consists of important aphorisms that hold important wisdom and guidance. Niti as the term indicates leadership, guidance, direction, skill and insight is also a guiding insight to Leaders and by knowing these
principles leaders can be victorious, overcome all enemies – outside and within, irrespective of their power.

CONCLUSION

We can see how relevant and important aspects of Management and Business Ethics can be discovered from Kautilya’s Arthashastra and our Ancient Scriptures. Even as society appears to be getting increasingly corrupt and criminal; many are beginning to realize that you cannot aspire to create value without deeply cherishing a sense of values. For instance, chairman of Wipro systems and Wipro InfoTech, Azim Premji, once called for a meeting. A senior general manager of the company was leaving, because he had inflated a travel bill. The amount involved was not huge. Nor was the general manager’s contribution to the organization insignificant. And yet, he was leaving because of one act of misdemeanor. It was a question of principles and of values. To sustain your competitive advantage in an increasingly corporate world, we need character and morals which are more important than money, materials, marketing and management.

Indian Scriptures like Vedas, Shrimad Bhagwat, Bhagawad Gita, Ramayan and Upanishads are full of ideas and practical methods, techniques and wisdom related to leadership, administration and management. These scriptures emphasize spirituality and the importance of wisdom within oneself as the abode of God, prosperity, bliss and their subsequent impact on leadership and administration. On the other hand Kautilya’s Arthashastra teaches hard core materialism and down to earth practical approach in life, administration, economics and management. The roles of these scriptures lie in nurturing and enriching lives of common beings and describe the purpose of leadership. Thus, Ethical issues which are a big challenge being faced by management, need to be paid heed at and not let go unnoticed. Through core values and principles, a leader can reach the zenith and a leader who is the prospective entrant in the corporate world, must inculcate these values from the very beginning. The individual value system of the various employees together shape up and determine the value system of an organization to which they identify themselves with.

In a nutshell, from Kautilya’s and Vedantic viewpoint, the Corporate Governance and the responsibility is seen from an inside-out perspective, which is the development of a leader’s self-conscience or his or her “Swadharma” (prescribed duties) and «Karma» (action) plus the performance of «Pancha Rina» (fivefold debts). Based on the Kautilya’s and Vedantic insights, the leaders and the role they play in Corporate Governance are crucial in ensuring transparency, good conduct and good governance towards the ultimate aim of achieving a good and Socially Responsible Corporate Governance.

References

1. Representative Indian Political Thinkers, Dr. S.L.Verma, Jain Prakashan, Jaipur, 2016
2. Indian Political Thinkers, Dr.Sunita Gangwal, CBC Publication, Jaipur, 2017
3. Indian Political Thinkers, Dr. Pukhraj Jain, Sahitya Bhawan Publication, Agra, 2006
5. http://www.hinduwebsite.com/history/kautilya.asp#Book I, Chapter 19 (The Duties of a King)
7. http://www.speakingtree.in/blog/important-leadership-lessons-by-lord-rama
INTRODUCTION

“W hat one can invent, another can discover”. A truism that was told by Sir Arthur Conan Doyle in ‘The Adventure of the Dancing Men’ – a spellbinding story of the master detective Sherlock Holmes. That one statement epitomizes with amazing brevity, a fact that every Indian would be accosted with in the real world. Pioneers and front runners in every aspect of life from anthropology to zoology; and yet, centuries of Islamic invasions led to losing out on almost anything that was innately Indian aka Hindu. Western colonization compounded matters so that we needed to learn afresh from them what was our own wisdom.

What our seers invented and conceptualized, the world discovered. The realms of governance, law et al have firm foundations in Hindu Culture and Ethos. If the need of the hour is sustainable development of all stakeholders, then our scriptures provide the route to our roots.

 packaged in a more contemporary and, perhaps jazzy format. No sphere of human activity, indeed of any activity, was left untouched by ancient Hindu civilization. It is an understatement to say that our ancient seers and sages have contributed more to the welfare of mankind than all mankind together. Such has been the contribution of ancient India in every sphere of activity.

The world of law, governance et al is no exception with our scriptures waxing eloquent on every aspect of them – micro and macro – over the millennia. From the apourusheya Veda to the times of Kautilya’s Arthashastra to M.S.Golwalkar’s Bunch of Thoughts, it is quite astounding to discern and see the major contribution made by the Hindu way of thought and life to all matters ranging from law and governance to corporate social responsibility and standard setting.

An attempt is made in the following paragraphs and pages to compile a cross section of the distilled wisdom contained in our scriptures and the thoughts, words and deeds of great sons of Bharat Mata. The relevance of the scriptural thought and its concomitant sibling in the current milieu together with practical scenarios are also listed below:

THE RIGVEDA

Aano Bhadra krtavoyantu vishwatah (Rigveda 1.89.1) –
Let noble thoughts come to us from all directions

In many ways, this hymn epitomizes the large heartedness, catholicity and acceptance (as against the Western concept of tolerance) of the Indian way of life. More importantly, it buttresses the fact that the human mind must perennially be engaged in the quest of knowledge; that the source or origin is not important – what is important is that good, sage and noble thoughts must be welcomed always. This essentially partakes of a philosophy of assimilation and the constant jignasa.

It is quite interesting to note that the tagline of the ICSI is ‘in pursuit of professional excellence’ underlines the fact that excellence is a journey and never a destination. The role and responsibility of the company secretary, who, over the centuries has metamorphosed from a company law officer to an administrator and to a governance professional and to a key managerial person, has much to learn and imbibe from the Rigvedic precept highlighted above. In the knowledge and intellect driven economy that we live in today, there is a massive need for the company secretary to keep himself

1 That which is not man made and inherently divine
2 Urge to learn
abreast of happenings across the spectrum. This ranges from within the company itself, the industry in which the company operates, the legal framework, the economic and commercial scenario prevalent in the state, country and region and the international developments that may have direct or even tangential ramifications on the business. In the case of the company secretaries in practice, the need to assimilate knowledge from various sources and pertaining to varied industries is even more paramount. Failure to learn and assimilate knowledge thus leads but to gloom and doom.

Starting from the recommendations of the Cadbury Committee report in the United Kingdom in 1992 until the enactment of the Companies Act 2013 in India, legislatures, governments and trade & industry have held in unison that the board of directors will look to the company secretary to know, learn and understand what their responsibilities are and how corporates are to be governed. Such an onerous responsibility has been cast on the profession and this can only come about if we have our eyes and ears open constantly in the dynamic and ever changing world. Can there be a more practical illustration of having to learn constantly and to welcome best practices? Again, it may be noted that those that refuse to thus learn and broaden their horizons end up being the koopastha manduka.

Therefore, it is absolutely essential that the universal Rigvedic hymn be a beacon light in our professional endeavours such that we are constantly assimilating knowledge.

ISHAVASYA U PANISHAD

This Upanishad constitutes the 14th chapter of the Vaajasaneyi Samhita of the Sukla Yajurveda. The following lines from the Upanishad are worth noting:

कुर्वन्नेवहाकर्मणि जिज्ञािवेचः सम्मातः।
एव तथाप्नेवसौविभूजति न कर्म लिप्यते नरे ।।

kurvannevegetarmanijjivescchatamsamah
evamtvayinanyatho~stina karma lipyatenare

This hymn extols every human being to work incessantly or be engaged in duty; to look upon duty as divine or to seek divinity in the work that is discharged. Viewed even from a profane and supposedly secular perspective, the concept of 'work is worship' is bulwarked in this hymn. While the preceding hymn presupposes the existence of Lord Vishnu as the all-pervading supreme being, this verse cautions that dependence on God presupposes the existence of Lord Vishnu as the all-pervading supreme being, this verse cautions that dependence on God. The celebrated Karmanyeva adikaraaste verse from the Bhagavad Gita expatiates further on this. Acharya Madhwa in the 3rd Adhyaya of his Dwadasha Stotra calls upon human beings to be devoted in the discharge of duties.

TAITTIRIYOPANISHAD (SHIKSHAVALLI)

It belongs to Krishna Yajurveda and forms the 7th, 8th and 9th chapters of the Aranyakas. There can be little doubt that the Shikshavalli of the Taittiriyanopanishad represents a model code of conduct or a statute book prescribing the basic dos and don'ts in human life.

सार्थ दद। Speak the Truth
dharm{a} var. Practise Virtue

विद्यायां न प्रमित्वम्। Do not neglect your daily Study

आन्यविद्या न धनमाहुरः। Offer to the Teacher whatever pleases him

कृश्चिन्तत्वतः। Do not cut off the line of progeny

कर्मणि प्रमित्वम्। Do not neglect Truth

ध्यानं प्रमित्वम्। Do not neglect Virtue
curashchattrat.pramityam. Do not neglect Welfare

अन्यायā स प्रमित्वम्। Do not neglect Prosperity

कर्माणि प्रमित्वम्। Do not neglect Study and Teaching
curashchattratsātām. karma pramityam. Whatever deeds are blameless, they are to be practised, नो इसरणि | not others
tanāhānāhānāhānāhānāhānāhānāhānāhānāhānāhānāhānāhānāhānāhānāhānान

3 The proverbial 'frog in the well' indicative of limited knowledge and failure to learn.

4 Set of 12 stotras composed in and around Udupi and Malpe
meaning and living up to it is the surest way to inculcate team spirit and conducive environs.

**BRIHADARANYAKAUPANISHAD**

<table>
<thead>
<tr>
<th>Sanskrit</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Om, Sarve bhavantu sukhanah</td>
<td>May all be prosperous and happy</td>
</tr>
<tr>
<td>Sarve santu niiramayah</td>
<td>May all be prosperous and happy</td>
</tr>
<tr>
<td>Sarve bhadrani paśyantu</td>
<td>May all be free from illness</td>
</tr>
<tr>
<td>Mā kashchit duḥkha bhāgabhavet</td>
<td>May all see what is spiritually uplifting</td>
</tr>
<tr>
<td>OmŚāṁtiḥ, Śāṁtiḥ, Śāṁtiḥ</td>
<td>May no one suffer</td>
</tr>
<tr>
<td>Om peace, peace, peace</td>
<td>Yet another verse from the glorious Upanishad that speaks about peace, prosperity and upliftment of entire mankind</td>
</tr>
</tbody>
</table>

**MANUSMRITI**

While the Manusmriti or the Laws of Manu deal with a vast majority of matters, the focus here will be on some aspects of substantive and procedural law. A few illustrations:

**An agreement which has been entered into contrary to law or to the settled usage can have no legal force** (VIII-164). This principle is analogous to sections 23 and 24 of the Indian Contract Act, 1872.

A fraudulent mortgage or sale, a fraudulent gift or acceptance, and any transaction where fraud is detected, shall be null and void. What is given by force, what is enjoyed by force, also what has been caused to be written by force, and all other transactions brought about by force, are invalid (VIII- 165 and 168). Further, a contract entered into by a person who is insane, intoxicated or suffering from disease, or by an infant or by a very old man or by one who is not duly, authorized, is not valid (VIII – 163). The various sections pertaining to free consent in the Indian Contract Act, 1872 are entirely predicated in these verses. VIII – 158 postulates that a person who stands surety for the appearance of a debtor before the court is bound to discharge the debt if he fails to make the debtor appear before the court – a matter accentuated in special contracts.

VIII – 199, 200 and 222 also deal with the principle of law of *remodat quod non habet* – a gift or sale of any property made by any person other than its owner shall be null and void. The Manusmriti has copious passages on varied matters such as auction sales, sanctity of gifts, title to movable goods after adverse possession, deposits, formation of associations, employee working conditions and wages, evidence, review of judgments, right to self defence, negligence and even the rule of law.
ARTHASCHTRA

The proverbial wealth of ancient and early medieval India as eloquently described by many a foreign traveler was not a little due to the wholesome economic policies of the State as well as the industriousness of its people. The basis of this was the philosophy of the four purusharthas – ends or goals of human life – which gave artha or wealth also a decent place in life, albeit subservient to righteousness. The general characteristics of Hindu economics as enunciated by Kautilya (300 BC) in his magnum opus Arthashastra may be stated as follows:

The entire state or the society is more important than the individual. Hence, individual good may have to be, sometimes, sacrificed for the good of the society as a whole. Economic policies should not generally go against the principles of dharma though it may not always be possible to follow all of them strictly.

Although, the state as a whole should be given supreme importance vis-a-vis the subjects, it was obligatory on its part to:

(i) Treat the subjects as its children and devise welfare schemes for them
(ii) Moderate the prices of commodities so that people are not exploited
(iii) Ensure quality and exercise control on the quality of goods
(iv) Help trade and commerce by providing means of transport, communication, security, tax-concessions in foreign trade
(v) Protect and promote agriculture in all its aspects
(vi) Create job opportunities for people
(vii) Help them in periods of crises like war and natural calamities like famine, floods, earthquakes.

Even a cursory glance at the above reveals that all the important economic aspects of a modern welfare state are covered by these postulates. Planning, budgeting, estimates of revenues from various sources, allotment of funds for potential expenditure and land revenue – all formed part of the economic framework during Kautilya’s time. Millennia later, every one of them is as relevant as it then was! Kautilya has also expatiated frameworks during Kautilya’s time. Millennia later, every one of them is as relevant as it then was! Kautilya has also expatiated

BHAGAVAD GITA

The song celestial, often called the fifth Veda or summary of all Upanishads, the Bhagavad Gita is a panacea for all ills.

Viewed even from a secular or profane perspective, the Bhagavad Gita has offered solutions to people globally. Its relevance is perpetual and omniscient. On the battlefield, Arjuna has a break down. Enter Krishna as a consultant who offers varied paths, depending on the type of person you are (karma yoga, jnana yoga or bhakti yoga, for instance) and leads to a break through. Every one aspect of this can be interpolated to the corporate environs. While the 18 chaptered Bhagavad Gita is far too magnificent and copious to cogitate here, a few analogies on setting of standards and the ICSI’s initiatives on secretarial best practices. The 21st verse of the III Chapter reads as follows:

CHARTERED SECRETARY | OCTOBER 2017

BHAGAVAD GITA

The song celestial, often called the fifth Veda or summary of all Upanishads, the Bhagavad Gita is a panacea for all ills.

Viewed even from a secular or profane perspective, the Bhagavad Gita has offered solutions to people globally. Its relevance is perpetual and omniscient. On the battlefield, Arjuna has a break down. Enter Krishna as a consultant who offers varied paths, depending on the type of person you are (karma yoga, jnana yoga or bhakti yoga, for instance) and leads to a break through. Every one aspect of this can be interpolated to the corporate environs. While the 18 chaptered Bhagavad Gita is far too magnificent and copious to cogitate here, a few analogies on setting of standards and the ICSI’s initiatives on secretarial best practices. The 21st verse of the III Chapter reads as follows:

\[ \text{yadyadacaratisreshis} \]
\[ \text{tat tad evetarojanah} \]
\[ \text{sayatpramanamkuruthe} \]
\[ \text{lokas tad anuvarthathe} \]

Ordinary mortals imitate whatever a great (highly placed or knowledgeable person) does. They follow whatever scriptures or deeds he holds proof? ‘Whatever action is performed by a great man, common men follow in his footsteps. And whatever standards he sets by exemplary acts, all the world pursues. People in general always require a leader who can teach the public by practical behaviour. A leader cannot teach the public to stop smoking if he himself smokes. A leader must follow the principles enunciated by law or authority to reach the common man. He cannot manufacture rules against the principles of laws. Thus, the leader’s teaching should be based on the principles of the standard rules as they are practised by the great teachers. The Srimad-Bhagavatam also affirms that one should follow in the footsteps of great devotees, and that is the way of progress on the path of (spiritual) realization. In the context of the company secretary, there is an imperative need for him to:

- Follow and abide by the laws and best practices such that he emerges as an exemplar
- Shine like a beacon to industry and trade, regulators and peers alike
- Be a role model for students and others emerging into the profession
- Become worthy of emulation

On the other hand, the ICSI by itself is a regulatory, examining body and a standard setter. Its role to be in the forefront of good governance and ensure wealth creation for all stakeholders in a sustainable manner is praiseworthy initiative. It is an onerous task that ensconces the ICSI as leader and a trailblazer for members, industry, regulators and all other stakeholders. So, whether for the members or the ICSI itself, the above verse of the Bhagavad Gita has humungous relevance is perpetual and omniscient. On the battle field, Arjuna has a break down. Enter Krishna as a consultant who offers varied paths, depending on the type of person you are (karma yoga, jnana yoga or bhakti yoga, for instance) and leads to a break through. Every one aspect of this can be interpolated to the corporate environs. While the 18 chaptered Bhagavad Gita is far too magnificent and copious to cogitate here, a few analogies on setting of standards and the ICSI’s initiatives on secretarial best practices. The 21st verse of the III Chapter reads as follows:

\[ \text{yadyadacaratisreshis} \]
\[ \text{tat tad evetarojanah} \]
\[ \text{sayatpramanamkuruthe} \]
\[ \text{lokas tad anuvarthathe} \]

Ordinary mortals imitate whatever a great (highly placed or knowledgeable person) does. They follow whatever scriptures or deeds he holds proof? ‘Whatever action is performed by a great man, common men follow in his footsteps. And whatever standards he sets by exemplary acts, all the world pursues. People in general always require a leader who can teach the public by practical behaviour. A leader cannot teach the public to stop smoking if he himself smokes. A leader must follow the principles enunciated by law or authority to reach the common man. He cannot manufacture rules against the principles of laws. Thus, the leader’s teaching should be based on the principles of the standard rules as they are practised by the great teachers. The Srimad-Bhagavatam also affirms that one should follow in the footsteps of great devotees, and that is the way of progress on the path of (spiritual) realization. In the context of the company secretary, there is an imperative need for him to:

- Follow and abide by the laws and best practices such that he emerges as an exemplar
- Shine like a beacon to industry and trade, regulators and peers alike
- Be a role model for students and others emerging into the profession
- Become worthy of emulation

HANUMAN – THE EXEMPLAR

While the virtues of Hanuman to be extolled are beyond words and expressions, let us confine ourselves to the communication skills of Hanuman as brought out in Valmiki Ramayana. In the Kishkindas Kaanda of the Ramayana, Hanuman comes across as an expert in scientific communication, i.e. he always speaks

\[ \text{O}! \]
\[ \text{loka} \]
\[ \text{tat} \]
\[ \text{devatas te jyotis} \]
\[ \text{prapadyate} \]

7 Sri Madhvacharya in his GeetaBhasya
the way it should be. When Hanuman meets Rama for the first time on the outskirts of Kishkindha as Sugreeva’s messenger, Rama was charmed by Hanuman’s communication style and art of speaking. He tells his brother Lakshmana “see how excellently Hanuman has spoken. He did not utter a single word without relevance and significance. He has not wasted a single word. Nor did he omit an appropriate word. He has not taken more time than it was strictly necessary to express what he wanted to say. Every word that he spoke can never be forgotten. Such a voice promotes general welfare and remains forever in the hearts and minds of generations to come”. Isn’t it a brief statement of the fundamentals and essentials of how speech should be? Is that not a guidance note on effective communication for us in today’s world too.

It may be appropriate to also recall the words of Mahakavi Kalidasa – his *Raghu Vamsa’s mangalacharan*9. He states ‘Vagarthaviva Sampruktau; Vaagartha Pratipattaye; Jagatath Pitarau Vande; Parvati Parameswarau’. ‘I salute Parvati and Parameswara, Parents of the Universe, to bless me with expression and meaning, for they are so united.’ Thus, Kalidasa knew that in communication, **word and meaning** should be closely blended. It is necessary to say or write what exactly we mean. Expression of feelings is the only differentiator, which separates human beings from other living beings. This is a *sine qua non* in today’s world where knowledge alone does not suffice; effective articulation and communication wins the day. Effective communication happens only when there is perfect harmony between thought and articulation. They need to be perfectly blended and be in unison. Clarity of thought coupled with clarity of expression makes for excellent communication.

ACHARYA MADHWAA10

Acharya Madhwa, who propagated the Dvaita philosophy in the 13th century AD left behind a compilation of 37 works entitled the *Sarvamula Grantha*. Right across his works and teachings, he has emphasized the need to view everything from a holistic perspective rather than a myopic one. He has time and again reiterated the need to harmoniously interpret and understand the cryptic hymns appearing in our scriptures; he repeatedly states that the Vedas, Upanishads, *Pancharatra, Mula Ramayana* and *Bharata, Bhagawata* and other *puranas* are part of one holistic compendium of scriptures and the utterances and statements appearing in any of them must be understood and interpreted in a harmonious and congruent manner. He avers that no line in the scripture is superfluous; effective articulation and communication wins the day. Effective communication happens only when there is perfect harmony between thought and articulation. They need to be perfectly blended and be in unison. Clarity of thought coupled with clarity of expression makes for excellent communication.

**ACHARYA MADHWAA10**

Acharya Madhwa, who propagated the Dvaita philosophy in the 13th century AD left behind a compilation of 37 works entitled the *Sarvamula Grantha*10. Right across his works and teachings, he has emphasized the need to view everything from a holistic perspective rather than a myopic one. He has time and again reiterated the need to harmoniously interpret and understand the cryptic hymns appearing in our scriptures; he repeatedly states that the Vedas, Upanishads, *Pancharatra, Mula Ramayana* and *Bharata, Bhagawata* and other *puranas* are part of one holistic compendium of scriptures and the utterances and statements appearing in any of them must be understood and interpreted in a harmonious and congruent manner. He avers that no line in the scripture is superfluous and hence they must be read in a harmonious manner such that no other line appearing elsewhere is rendered redundant11.

Sounds familiar to we, students of law and interpretation?? One of the primary rules of interpretation of statutes is the ‘Harmonious Rule’. It is settled law that provisions must be construed in a harmonious manner and avoid ‘head on clash’ between sections of a statute; parliament ‘does not give with one hand and take with another’! No provision may be construed in such a manner that it defeats the purpose of another. There is also the aphorism of *Ekam satth Bahuda vadanti* – the truth is one and it is perceived differently. Sri Aurobindo very eloquently puts it by saying, the opposite of truth is not untruth; rather it is another facet of the truth. The principle of natural justice – *audialterempartem* – hear the other party is perhaps based on this rule.

**THIRUKURAL12**

Expatiating on good or right conduct, Valluvar, the great Tamil philosopher and mystic says, right conduct leads to excellence and hence, must be guarded above life even. Vedas forgotten can be re-learnt, but bad conduct debases the virtuous at once! All our codes of conduct or good governance can learn and imbibe a verse or two from the great works of Valluvar as indeed so many other stalwarts.

**CONCLUSION**

The glory of India as being a *Vishwa Guru* or the teacher of the world and to the world can only happen if we trace the route to our roots. There is an imperative need to own and own up to our history, legacy and all the good things that our ancient seers have bequeathed to us. That is our true wealth, our heritage and it encompasses every sphere of activity. In the realms of law, governance, commerce and codes of conduct, our culture and heritage have always viewed it from a sustainable perspective such that it was intertwined with *dharma*. The truest emancipation of mankind can happen only when it is congruent and seeks good for all – animate and inanimate alike. Only the Hindu or Indian way of life can achieve this. To conclude, this quote from Swami Vivekananda sums it all:

“So long as they forgot the past, the Hindu nation remained in a state of stupor; and as soon as they have begun to look into their past, there is on every side a fresh manifestation of life. It is out of this past that the future has to be moulded; this past will become the future. The more, therefore, the Hindus study the past, the more glorious will be their future, and whosoever tries to bring the past to the door of everyone, is a great benefactor of this nation”.

**BIBLIOGRAPHY**

- Essentials of Upanishads, Prof KT Pandurangi, Dvaita Vedanta Studies and Research Foundation, Bangalore
- The Bhagavad Gita, Ch Srinivasa Murthy, Poornaprajna Vidyapeetha and Sri Bhandarikeri Matha, Bangalore
- Acharya Madhwa - SarvamulaGrantha, Vyasamadhwa Pratishtana, Bangalore
- Ancient Indian Law – Eternal Values in Manu Smriti, Justice M. Rama Jois; Universal Law Publishing
- An introduction to Hindu culture – Ancient & Medieval; Swami Harshananda, Ramakrishna Math, Bangalore
- The Kural, Penguin Publishers
- Bunch of Thoughts, MS Golwalkar, Sahitya Sindhu Prakashana, Bangalore

8 Opening verse
9 Proponent of the Tatwivaada or Dvaita philosophy; also known as Anandateertha or Poornaprajna. He appeared in Pajaka Kshetra in Dakshina Kannada, travelled across the country and established the renowned Krishna Mutt at Udupi. The ascetics in his school of thought carry forward the noble and divine thoughts on the path shown by him.
10They comprise commentaries on the Prasthanathraya and varied works laying down the foundation and bulwark of Dvaita epistemology, ontology and metaphysics.
11Acharya Madhwa thus provides convincing interpretations to complex phrases such as AhamBhramasmi and Tat Twam Asi.
Governance Lessons in Ancient Indian Ethos

INTRODUCTION

In functioning of multinational companies, managers and employees confront cultural issues which affect their relationships, productivity, efficiency and work life balance. Indian Ethos can help in solving these issues and achieving effective Corporate Governance. For instance, the philosophy of Bhagavad-Gita has remained and will remain as a guide for developing managerial effectiveness, not only in this 21st century but also for many centuries more to come. The management lessons from ‘Mahabharata’ extensively deals with governance of kingdom and can be aptly applied in governance of business houses.

Indian ethos encompasses the fundamental values and culture that derive nourishment from our “Bhaarteeya Sanskriti” or Indian culture. Soul of our culture is influenced by Indian philosophy rooted in our scriptures - the Vedas and the Upanishads, the holy Bhagvad Gita, the epics - Mahabharata and Ramayana. Our religious, secular and linguistic diversity enriches the spirit of this soul. This ancient wisdom when used as a resource base to cultivate principles of management in the present era, underpins the relevance of Indian ethos in contributing to modern life at both personal and professional levels.

We have seen in the past that companies which have been doing well become sick suddenly due to unethical practices adopted by their promoters and Board. In spite of many organizations coming up with innovative business models and creating best practices, we have corporate scams, bankruptcy, etc. still haunting the business world. The fundamental reason for the failure of these organizations has been failure in creating sustainable business practices because they lack morality or fail to make any ethical considerations while making any business transaction. Most of the decisions are based on “profit” alone.

Many of the modern day thinkers emphasized “profit” as the sole motive of any business organization. Against this, the proponents of business ethics tend to make profit secondary and social welfare as the primary motive. They somehow undermine “profitmaking” and only emphasize on the social responsibility of business. However, in the recent past most of the failures of the organizations have been attributed various economic reasons. But we argue that there was a huge ethical failure in the organization’s Governance.

The top management took decisions over-and-above the broader interests of their stakeholders for which not just the organization but the stakeholders suffered a huge loss. So, we conclude that when an organization or an institution fails, something is wrong with the management paradigm of that institution and therefore a fault in its Governance. Because what is happening in the current economic scenario is not that one organization has failed but a series of organizations is failing and most of them are failing due to some ethical reason.

To avoid such recurrences in future, what we need is new management paradigms with strong ethical and moral values imbided in them. In our pursuit to find more sustainable management paradigms, we integrate the existing management model with ethical values in the ancient Indian schools of thought viz. the Vedas, Upanishads (Vedanta), Bhagavad Gita, etc.

The practice of Management exists broadly in four levels; it starts from managing “self”. Managing yourself through moral values and ethical principles is of utmost importance. Only when we practice morality and ethics and manage our desires and senses, then, we set examples for others to follow. This is the essence of leadership. Through leadership we are able to connect well with the broader society as we start sharing a common goal and purpose which is constantly striving for the betterment of the society. After a trust is established, it is the moral duty and responsibility of an organization to maintain that trust through properly...
In our pursuit to find more sustainable management paradigms, we integrate the existing management model with ethical values in the ancient Indian schools of thought viz. the Vedas, Upanishads (Vedanta), Bhagavad Gita, etc.

managing the various relationships with the society as a whole and consumers in particular.
From consumers and society, we then move towards addressing the triple bottom lines viz. people, planet and profits. People in the form of suppliers, distributors, bankers, employees, agents, etc constitute our “living” stakeholders. “Planet” constitutes the natural resources and the larger environment, the “non-living” or abiotic component of our stakeholders’ domain. The living and non-living stakeholders are inter-related to each other through our organizational systems and processes. Hence, we use the term “business ecosystem” at this level to indicate this web of inter-relationships. Finally, we go to the level of global management which is facilitated by promotion of free trade both on a trans-national and trans-continental basis. The rapid globalization and inter-mixing of cultures is leading to the creation of a common “global” culture, where people of the various countries are exhibiting certain common cultural traits leading to the formation of a uniform world order with every person being a citizen of this new world order. That’s why today we often use the term “global citizen” in the context of globalization and international trade.

This is really in tune with the Vedanta school of thought where the ultimate aim of any person is to connect his “Atman” Individual Self with the “Brahmand” (Universal Self). And it is through knowledge (Jnana) that an individual attains this Universal Self.

However, this tenet of managing self is not new. It dates back to the Vedantic periods. In the Upanishads, it is said:

“Atmaivedamagraasitpurusavidhah, so’nuviksyanyadatmano’pasyat, so’hamasmityagreyvaharat; tato’hamnamabhavat, tasmadapyetaryahyamantrithah; ahamayamitrye vagrauktva, athanynamaprabrutye dasyabharvat. Sayatpurvo’smatarsvamsatsarvanapmanaausat, tasmatpurusah; osati ha vaisa tam, yo’smatpurvobhusati, yaevamveda…”

This means that:

“In the beginning, this world was only self in the form of a person or individual. When he looked around himself he saw nothing else than the self. So he said, ‘I am’. Therefore arose the name ‘I’. Even to this day when one is addressed he says ‘This is I’ and then speaks whatever other name he may have…”

ESSENCE OF BHAGWAD GITA IN GOVERNANCE

Bhagavad-Gita is the summary of all Vedic philosophies and its teachings can be effectively applied to address any problem related to individual or organization. It has got all the management tactics to achieve the mental equilibrium and to overcome any crisis situation and therefore helping in effective governance.

Every person has his own dream and personal goals. Sometimes they try to undermine the broader organizational goals in front of their personal goals. It is this conflict of interest which is a prerequisite for most of the failures in governance and management in any organization. To remove such conflicts, modern management advocates the concept of “Management by Objectives” (in short, MBO).

To really make MBO instrumental in any organization, it is important that managers understand their “Karma” in its entirety. The concept of Karma comes from the “KarmaYoga” of Bhagavad Gita in which Lord Krishna says to Arjuna:

“Karmayevadhikaraste Ma Phaleshukkadachana Ma Karma PhalaheturbhurumeteysangostvaAkarmani”

It means that “we have only the right to work, right on our actions but not on the consequences or fruits of that action. So we should not be attached to either fruits of the action or inaction.

And then Lord Krishna subsequently said:

“DoorenahyAvaram karma, Buddhhi-YogaadDhananjayaBuddhuS aramanarviccha, Kripaanaahphala-hetavah”

This means that:

“We shouldn’t work for results but rather work with an ideal (BuddhiYoga) or a vision because if we work for result, then our work will culminate once we achieve the result. However, when we work with an ideal or vision and keep it so high, we keep on striving to reach it so that in the process of delivering our Karma we grow. Hence, work for results is far inferior to work with an ideal, a vision.”

In the context of Governance and modern management it means that every manager should be focused on his work and at the same time be “in-sync” with the organization’s vision and mission. When every worker and manager is in-sync with the Organization’s Vision and mission, then it ultimately leads to excellence.

Clearly, the concept of Management by Objectives is consistent with the teachings of Bhagavad Gita and ancient Indian wisdoms. A lot has been said and researched about leadership. Some people said that leadership is all about character or some unique traits in an individual. Some say that a leader is an agent of change or he is the one who aligns a group of people towards a common vision. Today, we need to have a paradigm of leadership which will be more responsible in maintaining the sustainability of the business. People should be able to trust upon the existing corporate governance in the organization.

No wonder, Infosys has survived many downturns and has consistently been the most revered in the Indian IT industry among the shareholders as well as stakeholders. And it has happened because leadership is not just based on efficient management practices but also on a model which is more transparent, responsible and ethical. On the contrary we see an organization like Satyam Computers which was equally revered in the Indian IT industry (they had won the coveted Golden Peacock Award for Corporate Governance under Risk Management and Compliance Issues in the year 2008) until January 2009 when the company’s chairman Ramalinga Raju confessed that Satyam’s account has been falsified. There was nothing wrong in the way the company was managed. Raju was also a revered leader. But the management and leadership model was sans ethics, transparency and responsibility. And it invariably brought the company’s doomsday.

LEARNINGS FROM ANCIENT INDIAN SCRIPTURES

Ancient Indian wisdom and scriptures like Bhagavada Gita &
Ramayana; ancient Indiansages like Yajnavalkya or Buddha; and writings of scholars like Kautilya (Chanakya) can teach a lot on ethical and responsible leadership. These can be incorporated in the existing models to create more sustainable, ethical and responsible leadership models.

The lessons from Kautilya’s Arthashastra are relevant even today and can be integrated into the modern context of corporate management towards achieving the ultimate aim of corporate governance, which is to provide value to shareholders and stakeholders.

Companies are struggling to implement these frameworks effectively because they are still not aligned to the teachings of ancient Indian scriptures. Body of knowledge derived from ancient Indian scriptures, explains the reasons behind individual decision-making failures ultimately leading to institutional failures and in the process would look forward towards integrating some elements into the existing frameworks to create a more sustainable management paradigm.

In the ancient India during the period of Chandragupta Maurya in the 4th century BC, several management ideas and practices (includes CSR) were found, which was based on the Kautilya’s Arthashastra. Kautilya was the minister and adviser to Chandragupta Maurya, who was the contemporary of Alexander the Great (4th Century BC). He was previously the Professor of Politics and Economics at Taxila University.

The Arthashastra (Principles of Economics and Administration) and Neetishastra (also known as ChanakyaNeeti or Principles of Political Ethics) were two of the important works of Kautilya. Kautilya gives a lot of stress on self-control, which includes the importance of control over the senses by giving up kama, krodha, lobha, mana, mada and harsha, i.e. lust, anger, pride, arrogance and foolishness and second, proper methods of winning over the enemy and also the qualities a leader must possess was well laid down by Chanakya.

According to Chanakya, a King (a leader) should be a “Rajarishi” which means a king (a leader) who is wise like a sage. Like a sage, a leader must have self-control having conquered his senses and at the same time should be well-educated in the various branches of knowledge. He should cultivate his intellect by associations with elders and keep his eyes open through spies. He should ensure the observance of dharma (righteousness) by the people by authority and should avoid associations with harmful persons and indulging in harmful activities.

Successful and reputed organizations with revered corporate leaders can follow this wisdom of Arthashastra, as this “Rajarishi” paradigm clearly advocates a leadership which is both responsible and ethical. It not just advocates self-abnegation of senses but also instructs the leader to nurture his intellect.

If a person has control over his mind and is self motivated, he does not need an external stimulus to do his work. On the contrary he motivates others by setting himself as a benchmark for them.

**INDIAN ETHOS AND ITS PRINCIPLES**

Indian Ethos is all about what can be termed as “national ethos”. Indian Ethos believes as we do not have control on the incidents of ever changing world, then the only option that is left with us is to fine tune ourselves, introspect, review and act on our own strategies to achieve a goal. This is achieved only if we have cultivated a habit of mind enrichment where no external stimuli can affect our attitude & willingness to succeed in our assignments. This is what is called Skills in Action – ‘Karmasu Kaushalam’.

Indian Ethos, as already discussed, has as its basis of the culture of India and as a country whose culture has its roots in religion - it does draw its lessons from the religions of the land - be it Hinduism, Buddhism, or any other.

There are 6 basic principles, which come to light in the holy books applicable in today’s governance and management world. They are:

1. Each soul is a potential God
2. Holistic approach
3. Equal importance to Subjectivity/Objectivity
4. Karma yoga
5. Yogah Karmasu Kaushalam
6. Co-operation

Further to interpret the approach of Indian ethos we find the salient ideas and thoughts of Indian Ethos in Corporate Governance revealed by our ancient scriptures which are:

1. **AtmanoMokshartham, Jagathitaya cha:** All work is an opportunity for doing good to the world and thus gaining materially and spiritually in our lives
2. **Archet danamanabhym:** Worship people not only with material things but also by showing respect to their enterprising divinity within.
3. **AtmanoVindyateViryam:** Strength and inspiration for excelling in work comes from the Divine, God within, through prayer, spiritual readings and unselfish work.
4. **Yogahkarmasu Kaushalam, Samatvam yoga uchyate:** He who works with calm and even mind achieves the most.
5. **Yadishibhavanasyasya siddhi bhavatitadrishi:** As we think, so we succeed, so we become. Attention to means ensures the end.
6. **Parasparambhavayantah shreyahparambhavapsyathah:** By mutual cooperation, respect and fellow feeling, all of us enjoy the highest good both material and spiritual.
7. **Teshamsukhmtesham shanti shaswati:** Infinite happiness and infinite peace come to them who see the Divine in all beings.
8. **Paraspar Devo Bhav:** Regard the other person as a divine being. All of us have the same consciousness though our packages and containers are different.

Indian ethos demands a subjective management system which...
Goverance Lessons in Ancient Indian Ethos

leads to an understanding of the following:

(a) Management Attitude – Top management having firm belief in value-oriented holistic management. Profit is earned through service and satisfaction of all stakeholders – employees, customers, shareholders and citizens. Fulfillment of social responsibility must be ensured.

(b) Humanising the Organisation – Looking at the three aspects of humane organisations, i.e., inter-personal relations, man-machine equation where man is the prime concern and inner management through mental and spiritual growth of individuals.

(c) Interiorising Management – Self management or management by consciousness. When the soul manages the other four members of the human being, namely, the body, mind, intellect and the heart, the conflict these four have amongst them can be resolved. This is management by consciousness. The objective of self management is to first know and manage oneself and then manage others.

(d) Self-introspection – Embark upon self-study, self-analysis and self-criticism to locate areas of friction and disharmony, a self examination of one’s own thoughts, feelings, emotions, sensations and passions and a desire to reduce and subdue the ego.

(e) Brain-stilling – For rational and enduring decisions, silent mind is a necessity. A perfect Mounum (calm mind enjoying tranquility) is necessary. Brain-stilling or meditative silence is the most reliable method to discover solutions to problems and difficulties which seem to be difficult to be tackled by reason and intellect because through this one can come into contact with the inner mind or higher consciousness called Chetana.

(f) Stepping Back (for a while) – Never decide anything, never speak a word, never throw yourself into action without stepping-back. The stepping back from a situation for a while enables one to control and master a situation.

(g) Self-dynamising Meditation – A dynamic meditation is meditation of transformation of lower consciousness into higher consciousness and hence is called transforming meditation. Through meditation, in a silent and calm mind, one reaches a higher level of consciousness which offers guidance in the form of intuitions to tackle a multitude of problems. This is called consciousness approach to management.

(h) Role of Intuition – Intuition is the act of coming to direct knowledge or certainty without reasoning or inferring. It is immediate cognition by the inner mind and when fully developed, is efficient and effective for taking prompt and sound decisions. Intuition skills enable one to cope with confidence the fluctuating environment and rapid changes. Faith is a prerequisite to develop and realize the power of intuition.

GOVERNANCE AND MANAGEMENT THROUGH INDIAN SCRIPTURES AND ETHOS

Corporate Governance is “a conscious, deliberate and sustained effort on the part of the corporate entity to strike a judicious balance between its own interest and the interest of the various constituents in the environment in which it is operating”. Value based corporate governance is buzz in today’s corporate scenario; good governance is considered a combination of two aspects, namely higher values and effective functioning, two views can be adopted by corporate for good governance: Business and Spiritual view- the spiritual view is backed by dictums of the ancient Indian texts. Considering that it has now become imperative in the current scenario to identify innovative and creative tools and techniques to beat the competition, it is worthwhile to delve deep into the Indian mythology fishing for a fresh framework in management.

To quote Steve Jobs, Founder of Apple Computers: “Your time is limited, so don’t waste it living someone else’s life. Don’t be trapped by dogma – which is living with the results of other people’s thinking. Don’t let the noise of other’s opinions drown out your own inner voice and the most important, have the courage to follow your heart and intuition. They somehow already know what you truly want to become. Everything else is secondary.”

The “inner voice” which Steve Jobs talks about is the “Atma” or Self and the “heart or intuition” symbolizes the “Brahmand” (Universal Self or God consciousness). When you follow your heart and intuition and listen to your inner voice, you actually link your “Atma” with the “Brahmand” and hence can unleash the infinite power to succeed. No doubt, Steve Jobs above quote is in tune with the Advaita philosophy of “AhamBrahmasmi” which means “I am the Brahmand or God.”

Our age old civilization has a wealth of learning that we can definitely look back upon, refer to, decipher and relate to in our business practices. Imbibe Leadership that is coupled with a common sense approach to looking at management perspectives, business, and governance & learn to translate the beliefs into management practices. We need to incorporate the learnings from our ancient civilization, so that people should be able to trust upon the existing corporate governance in the organization.

Corporate Governance basically is the technique by which companies are directed and managed. It means carrying the business as per the stakeholders’ desires. It is actually conducted by the board of Directors and the concerned committees for the company’s stakeholder’s benefit.

The holistic approach to management involves a major paradigm shift from focus on shareholders to focus on stakeholders - one that takes into account the needs of shareholders, employees, customers, society, and the environment. Any decision of the business not just affects the shareholders but the entire stakeholders’ domain. Companies which are industry leaders don’t just follow a stakeholder driven approach and embrace the concept of a business ecosystem, but they also involve these stakeholders in making important business decisions.

In one of the verses of “Manusmriti” it is said that, “Fire burns one man only, if he carelessly approaches it, the fire of a king’s (anger) consumes the (whole) family, together with its cattle and its hoard of property.” Basically, it means that a leader is responsible for the governance of the organisation, and it is his personal excellence which brings law and order in the organisation.

Many communities and countries in the world are now trying to discover and explore their own system of management, which includes accounting and financial management, human resource
management, corporate governance, and also Corporate Social Responsibility (CSR).

CSR refers to the obligation of an organisation which considers the interests of all their stakeholders which includes the customers, employees, shareholders, communities and ecological considerations in all aspects of their operations. This obligation is seen to extend beyond their statutory obligation to comply with legislation. In a nutshell, CSR requires the organisations to balance the needs of all stakeholders with its need to make a profit and reward shareholders adequately.

Early conceptualisation of CSR was broadly based on religious virtues and values such as honesty, love, truthfulness and trust. Practices of CSR date back to the ancient Greece. A similar development on CSR took place on the Indian subcontinent structured from the Vedic philosophy.

The Indian philosophical literatures are derived form of the Vedas, namely, Rig-Veda, Yajur-veda, Sama-Veda and Atharva-veda. The Vedas essentially forms the fundamental basis of human life on earth through complete understanding of the spiritualism – knowledge of God, the Soul (atma) and the relationship to the physical universe (prakriti).

From the ancient Indian perspective, social responsibility (now CSR) obligation is expected from the ‘King’ to his subjects (Rig-Veda 1–8). Vedic literature emphasises that the role of the king or the accumulator of wealth to take care of the welfare of the subjects (stakeholders) and in return the king will grow as the Sun grows and shines at dawn and after its rise. It is further expressed that whatever is given to the society, it returns getting multiplied several times. The king or the leader and leadership are considered to be the key necessity for the state or organisation. Even Sri Krishna also stressed the importance of the leaders to Arjuna in the Bhagavad-Gita, Manu and Shukracharya also echoed similar opinions.

Kautiya stressed the importance of happiness to all stakeholders of an organisation. He stated that happiness is obtained not only by wealth and profit, but also by doing things rightly and doing right things (“sukhasayamoolam dharma”). Dharma without wealth according to Kautiya is toothless (“dharmasyamoolamarththa”), and wealth without dharma is useless because a poor person cannot support the entire society. Indian culture has always emphasised that “sukhasayamoolam dharma” and “dharmasyamoolamarththa” taken together – namely, wealth does not lead to directly happiness. Happiness for self and others results through ethical behaviour: wealth or resources make ethical behaviour possible. This also means that one must strive to generate wealth – resources and money – share it equitably to create happiness for oneself and others. Such generation of wealth must also be through ethical means, which alone would lead to overall happiness.

In modern day business philosophy, promotional and public relations strategy adds value to customer perception of the organisation goods and services. Therefore, the firm maximises its ability to create value to the business. CSR can be a source of competitive advantage for organisations, however, some researchers have also cautioned against using CSR as a promotional tool because it can discredit the company if it misleads stakeholders.

Business is viewed as legitimate and an integral part of society according to Vedic philosophy but essentially it should create wealth for the society through the right means of action. ‘sarvalokahitam’ in the Vedic literature referred to ‘well-being of stakeholders’. This means an ethical and social responsibility system must be fundamental and functional in business undertakings. Put in simple business sense, the organisation would sustain long-term advantages and obtain profits if it conducts its businesses ethically and be socially responsible.

CONCLUSION

In this modern time, the research to be undertaken would be an attempt to bring our ancient Indian Wisdom to the modern Governance and management practices not in a religious perspective but a higher level of it which we know as spirituality, be it corporate, government or personal.

Indian wisdom is not just confined to a few sources but there are numerous such great works that can be followed, which are interrelated, Great leaders and saints Swami Vivekananda cannot be ignored if one needs to get an insight into the Indian Wisdom, Gurus like, Aurobindo Ghosh, Mahatma Gandhi and Rabindranath Tagore can be studied for exemplary values and ethical behaviour.

From the above discussions we conclude that firstly, the corporate houses are equivalent to kingdoms, thus the principles applied in organizing the kingdoms can be applied in corporate governance. The traditional management practices of India include a personal bond or emotional relationship between the employees and the bosses or Superiors.

Through spirituality wisdoms of the Vedas, Upanishads, Bhagavad Gita, etc. we can promote a more ethical and responsible leadership on an individual or institutional level.

There are many management concepts that can be learnt through the wisdom of Ancient Indian scripture and the ancient Indian literatures like the Kautiya’s Arthashastra, and such concepts are still applicable in today’s corporate management. Besides, CSR, Kautiya’s Arthashastra have dealt with many other topics related to politics, economics, sociology, ethics, etc.

In the long run, ethics and values tend to survive as it is rightly said in Bhagavad-Gita “YathoDharma, TathoJayas”, meaning success goes hand in hand with the righteousness.
Governance lessons from Ancient Indian Ethos

Governance has been the inspiring and transforming activity in the lives of people in India since time immemorial. It is interesting to know that even the name of our country also changed because of a persona, who offered unparalleled governance for the sustenance and prosperity of the subjects. This very fact proves beyond doubt that we honour sincere governance by a competent and qualified person, and offer full respect. Vedic literature, Srimad Bhagavatam, describes that during ancient times our country was known as “Ajanabha-varsya” as under: 

Formerly this planet was known as Ajanabha-varsya, but since Maharaja Bharata’s reign, it has become Bharata-Varsya."[Bhagavatam 5.7.3] 

Varsya refers to island. The entire earth is divided into seven islands and one of those islands is our country, Bharat-Varsya. As per the scriptures, the earlier name of our country was “Ajanabha”, which came into existence because of the reign of King Nabhi. But, after the unparalleled governance by Maharaja Bharata, the son of King Rishabhdev, this land became celebrated as Bharata-Varsya. Such is the value we have been giving to governance by the competent kings or leaders. His wonderful governance was narrated in the following Sanskrit passage:

Maharaja Bharata was a very learned and experienced king on this earth. He perfectly ruled the citizens, being himself engaged in his own respective duties. Maharaja Bharata was as affectionate to the citizens as his father and grandfather had been. Keeping them engaged in their occupational duties, he ruled the earth."[Bhagavatam 5.7.4] 

The most significant lesson that we learn from the governance of King Bharata is his responsibility in keeping all the citizens fully engaged in their occupational duties. He ensured that no one remained unemployed or unoccupied in anyway. He conducted his wonderful governance process very affectionately.

There is another example from ancient Indian history to show how governance influenced our emotions so deeply. Majority of pious people of India believe in the great governance of Lord Ramachandra in Treta-Yuga, which passed away several lakhs of years before. Present day people do not have any experience of governance by Lord Rama, but they affectionately call it "Ramarajya" and aspire to live in it. Prevalence of the word "Ramarajya" still today, even after so many millions of years, indicates our attachment to the ideal governance. We always take lessons from such governance. Vedic reference [Bhagavatam 9.10.50-51] speaks about the governance of Lord Rama as under:

"Being pleased by the full surrender and submission of Bharata, Lord Ramachandra then accepted the throne of the state. He cared for the citizens exactly as a father, and the citizens, being fully engaged in their occupational duties of varna and ashrama, accepted Him as their father."

"Lord Ramachandra became king during Treta-Yuga, but because of His good government, the age was like Satya-Yuga. Everyone was religious and completely happy."
The above verses bring about two wonderful lessons. The first lesson is the perfect reciprocation of feelings between the ruler and the subjects. Lord Rama, as leader, ensured complete occupation for all the people, which made them happy and they regarded Him as their father. The second lesson is the religious behavior of citizens. Under His able and affectionate leadership, the subjects never transgressed from religious principles, which created a wonderful atmosphere of peace and pleasure. During the governance period of Lord Rama, the forests, the rivers, the hills and the mountains, the states, the seven islands and the seven seas were all favorable in supplying the necessities of life for all living beings. Under His rule, all bodily and mental sufferings, disease, old age, bereavement, lamentation, distress, fear and fatigue were completely absent. There was even no death for those who did not want it. Such was the powerful governance of Lord Rama, which people remember even now. Lord Rama demonstrated all good qualities of a leader and became a role model. Indeed, He is glorified as “personified religious principles” (रामी विलाहरन धर्मः:) He took a vow to accept only one wife and had no connection with any other women. He was a saintly king and everything in his character was good, untinged by qualities like anger. Even a common man or a leader can learn many wonderful characteristics from him for successful implementation of governance process, both on personal front and professional front.

Another very interesting connection between the universal administrators and the human beings throws light on the power of good governance. The Manus, who are the divine administrators of the Universe, rule the universe from time to time. They are all born of highly divine personalities and are endowed with extra ordinary qualities. The first Manu, known as Swayambhuva Manu, was born of Lord Brahma. He administered such wonderful governance and ruled the subjects so nicely that humans became known by the ruler’s name as “Manavas (मानव)”. Such is the influence of wonderful governance on the subjects. Manu had written a scripture known as “Manu Samhita”, which gives complete details of governance process in one’s life.

Great lessons of governance can be learnt from the rule and life of Pruthu Maharaja of Satya- Yuga. His father, Raja Vena was a rouge of first order and created a hellish condition on the earth because of his demoniac rule. His rule was so intolerable that he had to be killed by mantras. Later, again by the mystic power of brahmans and sages, Pruthu Maharaja appeared from the hands of dead Vena by churning process. Pruthu Maharaja was no ordinary king, but was the incarnation of Godhead. He appeared along with a beautiful woman, who later accepted him as her husband. He was coronated by the brahmans and the sages to rule the earth and take charge of the people. During the coronation, the qualified reciters, who could foresee the future, praised him in a wonderful way as under:

ए धर्मानुसार श्रेष्ठ लोक धर्मं नूतनिन्यात ।
गृही व धर्मसौत्तुल्य शासनत् तत्परप्रियतानिमयं ॥

“This king, Pruthu Maharaja, is the best amongst those who are following religious principles. As such, he will engage everyone in the pursuit of religious principles and give those principles all protection. He will also be a great chastiser to the irreverent and atheistic.” [Bhagavatam 4.16.4]
The best symptom of excellent governance is the prevalence of cheerful attitude, the cows used to moisten the grazing ground necessities of man in profusion. Due to their fatty milk bags and rain that people needed, and the earth produced all the “During the reign of King Yudhisthir, the clouds showered all the annihilated the miscreants, who disturbed the religious principles. guidance of Lord Krishna. He won the battle of Kurukshetra and his brothers, struggled a lot to establish can be obtained from the rule of King Yudhisthir. He, along with Another live example for good governance from Vedic literature governance standards forever without any doubt. Of course, Pruthu Maharaja lived up to the prediction of the authentic reciters and ruled the subjects in an unparalleled way. Modern leaders, for proper guidance, can learn so many lessons from his messages also, which he used to give to the citizens from time to time for guidance. His mood of governance can be understood from one of such advices by him as under: “By the grace of the Supreme Godhead, I have been appointed the king of this planet, and I carry the scepter to rule the citizens, protect them from all dangers, and give them employment according to their respective positions in the social order established by the Vedic injunction.” [Bhagavatam 4.21.22] He was completely cognizant of the grace of the Lord for obtaining the position of leadership, thus manifesting his humbleness. His main purpose of rule is to provide sustenance to the subjects, which may be threatened by many dangers. Governance is meant for sustenance and prosperity. Pruthu Maharaja promised to provide sustenance and also gave assurance for prosperity through employment to everyone. A leader’s objective should be uninterrupted sustenance and colorful prosperity of the subjects. Pruthu Maharaja provided these two things to all his citizens. He demonstrated his commitment to governance by developing unimaginable level of infrastructure. This is evident from the following statement [Bhagavatam 4.18.31]: “The king created many types of villages, settlements and towns, and built forts, residences for cowherd men, stables for animals, places for the royal camps, mining places, agricultural towns and mountain villages.” From the above statement, it can safely be said, “Pruthu Maharaja walked the talk”. He, in fact, built cities in those days itself giving specific areas of residences for everyone, including animals. This clearly demonstrates the role of a leader in ensuring the proper arrangements. Ultimately, everyone requires food, clothing and shelter. Pruthu Maharaja stands tall in governance standards forever without any doubt. Another live example for good governance from Vedic literature can be obtained from the rule of King Yudhisthir. He, along with his brothers, struggled a lot to established dharma under the guidance of Lord Krishna. He won the battle of Kurukshetra and annihilated the miscreants, who disturbed the religious principles. His governance was described in the following passage as under [Bhagavatam 1.10.4]: “During the reign of King Yudhisthir, the clouds showered all the rain that people needed, and the earth produced all the necessities of man in profusion. Due to their fatty milk bags and cheerful attitude, the cows used to moisten the grazing ground with milk.” The best symptom of excellent governance is the prevalence of favorable atmosphere and abundant resources all the time. Water is the most important essential element for sustenance of life. Plenty of water was available during the reign of King Yudhisthir. The earth provided all the necessities to the people, which stands for another example for the good governance by the executive head of a country. If a leader thoroughly follows religious principles and conducts his governance process through Vedic knowledge, he would emerge as the most successful leader. King Yudhisthir’s rule was at the end of Dwapara-Yuga, the period that was just before the present Kali-Yuga. He could establish effective governance because of his power. However, when Kali-Yuga entered he sensed some wrong things happening in his country. It all happened because of effect of Kali-Yuga, the age quarrel. He noticed that people started adopting foul means of livelihood. All ordinary transactions and dealings became polluted with cheating, even between friends. And in familial affairs, there was misunderstanding between fathers, mothers, and sons, between well-wishers and between brothers. He noticed that in the course of time to pass all people became accustomed to greed, anger and pride, thus discussed his observations with brother. This clearly indicates and offers a wonderful governance lesson that a leader should be alert to know the developments in the systems cautiously. He quickly decided to quit the position of leadership and entrusted it to another competent young generation personality, King Parikshit, who proved himself as competent as King Yudhisthir. This activity of King Yudhisthir gives a perfect message of succession plan. A leader shall strive to create another leader, who is more efficient than himself. Just in the beginning of the present age of Kali-Yuga, emperor Parikshit ruled the earth. He was the only grandson of Pandavas. He was on constant tour in the kingdom to protect dharma and ensure good governance. Once, during such a tour, he boldly declared to a wounded bull with three broken legs, “the significant duty of the ruling king is to give all protection to law-abiding persons and to chastise those who stray away from the ordinances of scriptures in ordinary time, when there is no emergency.” King Parikshit wonderfully acted to reestablish the three broken legs of dharma, which was presented as a bull, and sufficiently improved the condition of the earth. Good governance not only involves welfare activities of law-abiding subjects, but also punishment for law-breakers. A leader, who ignores this basic point, faces unexpected troubles. Hence, a good administrator shall make efforts to maintain truthfulness, mercy, austerity and cleanliness among the subjects to establish a flawless atmosphere. Any person indulging in breaking laws should be dealt with strictly as suggested by king Parikshit. There are many rulers like King Janaka, King Priyavrata etc, who became permanent celebrities on account of their wonderful governance based on the Vedic wisdom. They were basically saintly kings (Rajarshis). They were kings (Rajas) by profession and rishis (saints) by character. Hence, they could administer governance from Spiritual Quotient level that touched the hearts of the subjects. They were not sense enjoyers, but sensible protectors of dharma that made them role models forever. One can learn innumerable lessons on governance from their personal behavior and teachings for effective administration. Their activities and character are vividly described in the Vedic literature to inspire future leaders for effective governance. Om Tat Sat.
GST law provides for Goods and Services Tax Compliance Rating which is a new concept in India. Presently, there is no system of compliance rating under any tax laws in India. GST compliance rating is a concept which will be experimented as a legal provision for the first time in our country. Accordingly, every taxable person shall be assigned a GST compliance rating score based on his record of compliance with the provisions of the GST Act. Every taxable person irrespective of its nature or size or turnover shall be assigned a GST compliance rating.

Goods & Services Tax regime of indirect taxes provides for a provision of Compliance Rating and is a fresh concept for the Indian democracy. This provision provides that every taxable person will be allocated a score/rating on the basis of his compliances under the GST law and will be applicable to all the taxable persons irrespective of the nature, turnover of his business or the size of his entity.

As a governance issue, it is a fact that taxes and their compliances are increasingly being discussed at board level.

STATUTORY PROVISIONS

Section 149 of the Central Goods and Services Tax Act, 2017 contains provision in respect of GST compliance rating as under:

“(1) Every registered person may be assigned a goods and services tax compliance rating score by the Government based on his record of compliance with the provisions of this Act. (2) The goods and services tax compliance rating score may be determined on the basis of such parameters as may be prescribed. (3) The goods and services tax compliance rating score may be updated at periodic intervals and intimated to the registered person and also placed in the public domain in such manner as may be prescribed.”

Similar provision on GST rating shall also be applicable to other forms of GST, i.e., SGST, UTGST and IGST as per following provisions:

<table>
<thead>
<tr>
<th>Act</th>
<th>Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>IGST Act, 2017</td>
<td>Section 20 which stipulate that provisions of CGST Act, 2017 shall apply mutatis mutandis to IGST Act</td>
</tr>
<tr>
<td>UTGST Act, 2017</td>
<td>Section 21 which stipulate that provisions of CGST Act, 2017 shall apply mutatis mutandis to UTGST Act</td>
</tr>
<tr>
<td>SGST Act, 2017</td>
<td>Section 171 on anti-profiteering measures.</td>
</tr>
</tbody>
</table>

The objective of section 149 is to provide for the assignment and provision of parameters for Good and Service Tax compliance rating.

Accordingly, it can be said that:

- GST compliance rating is a new concept in GST. All the taxable persons will be assigned rating scores on the basis of his record of compliance of provisions of the GST law.
- The various compliance parameters on which the performance will be evaluated would be prescribed.
- The compliance rating scores would be updated on periodical basis and would be intimated to the taxable person and also the information of which would be put in public domain.

SALIENT FEATURES OF COMPLIANCE RATING

- Every taxable person shall be assigned a GST compliance rating score based on his record of compliance with the provisions of the GST Act irrespective of its nature or size or turnover.
- Compliance rating scores could be based on
  - promptness of paying taxes,
  - timely e-filing of returns,
  - matching of transactions,
  - transparent reconciliations,
  - adherence to various time limits,
  - cooperation in dealing with tax department etc.
Gst Compliance Ratings

It is expected that GST compliance rating scores may be used for identifying compliant tax payers which may get:

- better administrative treatment or response,
- ascertaining risk profile of tax payers, data integrity / audit of tax payers records,
- selection of cases for audit or scrutiny etc.

A taxable person with higher rating may be given certain privileges while a lower rating may invite enhanced surveillance. This may also instill healthy competition amongst tax payers for attaining a higher rating leading to enhanced reputation and as an indicator of good governance.

Will create healthy competition amongst tax payers.

ANALYSIS OF PROVISION

The objective behind this new concept of tax administration appear to make people fully GST compliant and on time with the uploading of invoices and other necessary documents.

A person can claim an input tax credit in GSTR-2 (return with purchase details for the month) only when the seller also files his GSTR-1 (return with monthly sales details), and the details on both these forms reconcile or match with each other. This was not so earlier.

The GST compliance rating score shall be determined on the basis of parameters to be prescribed in this behalf. Compliance rating scores could be based on promptness of paying taxes, timely e-filing of returns, matching of transactions, transparent reconciliations, adherence to various time limits, cooperation in dealing with tax department etc.

The rating of a taxable person would be relevant to determine the eligibility of input tax credit in respect of inward supplies, selection for scrutiny and other administrative / monitoring purposes. The rating would be based on tax payer’s record of compliance with the provisions of CGST, IGST and SGST. The details of parameters and methodology for rating would be as prescribed.

The compliance rating score will be updated periodically and will be intimated as follows:

- to the taxable person
- will be placed in the public domain

In terms of sub-section (3) of section 149 of the CGST Act, 2017, the GST compliance rating score shall be updated at periodic intervals and intimated to the taxable person and also placed in the public domain in the manner prescribed. The parameters and criteria as well as methodology shall be prescribed by way of regulations / guidelines.

Since GST shall operate on electronic platform, GSTN may be entrusted with the responsibility of determining rating scores based on parameters, its periodic updating and publication of rating in public domain. However, regulations or guidelines stipulating criteria for compliance ratings are expected to be announced in due course. It is expected that GST compliance rating scores may be used for identifying compliant tax payers which may get better administrative treatment or response, ascertaining risk profile of tax payers, data integrity / audit of tax payers records, selection of cases for audit or scrutiny etc. A taxable person with higher rating may be given certain privileges while a lower rating may invite enhanced surveillance. This may also instill healthy competition amongst tax payers for attaining a higher rating leading to enhanced reputation and as an indicator of good governance.

Since the compliance ratings would be placed in public domain, businesses or dealers would be able to take informed decision to deal with the lesser complaint taxable person. A highly rated taxable person would be preferred over others. It would also add to efficiency of transactions, timely input tax credit and lessee hurdles in reconciliations. It would also add to organization’s reputation. Large organizations and rated or listed companies including PSU’s may prefer and choose to deal with good rated suppliers / vendors / enterprises.

Compliance Scores

The GST compliance scores will primarily be based on compliances with the provisions of GST law and rules. These could cover, inter alia, the following:

- Filing of appeals an monthly basis
- Matching of transactions, i.e., no mismatch of invoices
- Filing of regular and annual returns timely and correctly
- Timely payment of proper taxes
- Correct utilization of input tax credit and its disclosure
- Correct deduction of TDS / TCS, where applicable
- Findings in scrutiny of returns / audit findings
- Refund claims etc.

These ratings and expected to be measured at periodic of tax payers and their dissemination on public platform.

IMPACT OF GST RATINGS

GST ratings would allow business enterprises to choose the most GST compliant or better rated vendor for their businesses. Rating would help identifying as to which vendor has got the better or acceptable track record of paying taxes in time, who matches / responds to mismatch of transactions etc. so much so that higher or better the rating score, more it would be preferred by buyers. Better ranked or rated taxpayers would have advantages over others by way of following benefits:

- Enjoy trust of tax authorities
- Honour and respect by the tax department
- No locking up of otherwise allowable input credit
- Preferred supplier chosen by buyers
- Will ensure health competition and enhanced compliances
- Add to good governance aspects of organization
- Lower or poor rating may attract stricter scrutiny and surveillance
- Reputation built up
- Preferences/ privileges by the Department (not known now)
- May be used by banks / suppliers as a bench mark
- Will facilitate better negotiation with suppliers

GST compliance is also expected to become a top management issue and may also require oversight by the Audit Committee of the Board or Board itself. This may be due to the following reasons:

- Tax and their impact are increasingly being discussed at Board level. It is no longer a finance issue alone.
- Companies need to prepare for change, both within and outside.
- Director need to be connected with what is going on outside. Scenario planning holds the key.
- Call for companies to be more transparent and responsible about what they do with tax.
- Tax compliance has perception value and reputation risk.

GST compliance ratings are expected to bring a new culture of compliance which will not only ensure fullest and correct compliances but will also result in avoidance of tax evasion and lesser tax disputes and litigation.
The right of appeal is a statutory conditional right. Any appeal against an order, decision or direction may be filed by an aggrieved person if the statute permits it in a manner and condition prescribed in this regard in the statute.

Right of appeal may be a substantive right but the procedure for filing the appeal including the period of limitation cannot be called a substantive right, and an aggrieved person cannot claim any vested right claiming that he should be governed by the old provision pertaining to period of limitation. Procedural law is retrospective meaning thereby that it will apply even to acts or transactions under the repealed Act.

Law on the subject has also been elaborately dealt with by this Court in various decisions and reference may be made to a few of those decisions. This Court in Garikapati Veeraya v. N. Subbiah Choudhry [AIR 1957 SC 540], New India Insurance Co. Ltd. v. Shanti Misra [(1975) 2 SCC 840], Hitendra Vishnu Thakur v. State of Maharashtra [(1994) 4 SCC 602 = 1994 SCC (Cri) 1087], Maharaja Chintamani Saran Nath Shandeo v. State of Bihar [(1999) 8 SCC 16] and Shyam Sunder v. Rain Kumar [(2001) 8 SCC 24], has elaborately discussed the scope and ambit of an amending legislation and held that every litigant has a vested right in substantive law but no such right exists in procedural law. This Court has held that the law relating to forum and limitation is procedural in nature whereas law relating to right of appeal even though remedial is substantive in nature.

Therefore, unless the language used plainly manifests in express terms or by necessary implication a contrary intention, a statute divesting vested rights is to be construed as prospective, a statute merely procedural is to be construed as retrospective and a statute which is procedural in its character, affects vested adversely is to be construed as prospective."

It is settled law that periods of limitation are procedural in nature and would ordinarily be applied retrospectively. This, however, is subject to a rider. In New India Insurance Co. Ltd. v. Shanti Misra, (1975) 2 SCC 840, this Court held:

“5. On the plain language of Sections 110A and 110F there should be no difficulty in taking the view that the change in law was merely a change of forum, i.e., a change of adjectival or procedural law and not of substantive law. It is a well-established proposition that such a change of law operates retrospectively and the person has to go to the new forum even if his cause of action or right of action accrued prior to the change of forum. He will have a vested right of action
but not a vested right of forum. If by express words the new forum is made available only to causes of action arising after the creation of the forum, then the retrospective operation of the law is taken away. Otherwise the general rule is to make it retrospective."

So far the period of limitation for commencing a legal proceeding is concerned, it is adjudicial in nature, and has to be governed by the new Act — subject to two conditions. If under the repealing Act the remedy suddenly stands barred as a result of a shorter period of limitation, the same cannot be held to govern the case, otherwise the result will be to deprive the suitor of an accrued right.

The second exception is where the new enactment leaves the claimant with such a short period for commencing the legal proceeding so as to make it unpractical for him to avail of the remedy.

It is well settled law that any Appellate authority has possessed the powers to pass such orders as it may deem fit confirming, modifying or annulling with the decision appealed against – UOI v. Umesh Dhaimode 1998 (98) ELT 584 (SC), unless the law creates a specific direction.

The Appellate Authority has all powers which original authority may have in deciding the question before it subject to statutory restrictions or limitations, if any – National Thermal Power Co. Ltd. v. CIT 1998 (99) ELT – 2002 (SC); Jute Corporation of India Ltd. v. CIT 1991 (51) ELT – 176 (SC). In the absence of any statutory provision, general principle relating to the amplitude of appellate authority’s power being co-terminus with that of the initial authority should normally be applicable. In Rai Kumar Srimal v. Commissioner of Income Tax, West Bengal III -1976 (102) I.T.R. 525, a Division Bench of Calcutta High Court presided over by Sabyasachi Mukharji, J., as he then was, held that the Appellate Assistant Commissioner was entitled to admit new ground or evidence either suo motu or at the invitation of the parties. If he is acting on being invited by the assessee, then there must be some ground for admitting new evidence in the sense that there must be some explanation to show that the failure to adduce earlier the evidence sought to be adduced before the Appellate Assistant Commissioner was not wilful and not unreasonable. This view is reasonable and it finds favour with us.

Chapter XVIII of the Central Goods and Services Tax Act, 2017 and Chapter XIII of the Central Goods and Services Tax Act, 2017 deals with the provisions for appeals under Goods and Services Tax levy applicable w.e.f. 01.07.2017. Section 107(1) under Chapter XVIII of the Central Goods and Services Tax Act, 2017 lays down that any person aggrieved by any decision or order passed under this Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act by an adjudicating authority may appeal to such Appellate Authority as may be prescribed within three months from the date on which the said decision or order is communicated to such person.

Now the term key is “any person aggrieved” by any decision or order ………………by an adjudicating authority………….”

In terms of the assessment under Chapter XII and the demand and recovery order in terms of Sec. 73 and 74 under Chapter XV is an appealable order under Chapter XVII. Similarly any order in terms of Chapter III, IV and V i.e. taxability, classification and input credit is also an appealable order. However, there is no provision to file any appeal under Chapter XVII in respect of any order passed under Chapter XV (i.e. Advance Ruling). Since, the Advance Ruling Authority is not an adjudicating authority, in terms of Chapter XVII, an appeal against the order of the Advance Ruling Authority shall be filed under Sec 100 under Chapter XVII before the Appellate Authority for Advance Ruling rather than under Chapter XVIII.

There is also a provision to file an appeal by the Departmental Authority within the specified time limit of 6 months from the date of communication of the said decision or order in terms of Section 107(1) of the C.G.S.T. Act, 2017.

Section 107(4) grant the power in hand of the Commissioner (Appeals) to condone one month delay if the appellant was prevented by sufficient cause.

In terms of Sec. 107(5), the appeal shall be filed in specified form with due verification as prescribed. Sub-section (6) of Section 107 lays down that an appeal shall not be filed by the appellant unless he has paid the amount of tax, interest, fine and penalty as admitted by him and 10% of the amount of tax which is in dispute under the appeal and in such case, further recovery will be stopped as provided by sub-section (7) of Sec. 107.

Sub-section (8) of Section 107 lays down the requirement of personal hearing. Sub-section (9) of Section 107 stipulates that the adjournment may be granted after recording reasons in writing. Sub-section (9) of Section 107 stipulates that at maximum 3 adjournment can be granted. It means personal hearing will not be granted more than 4 times.

Sub-section (10) of Section 107 provide the power in hand of the Commissioner (Appeals) to permit additional ground which has not been raised in appeal memorandum. It means now additional grounds on account of question of facts could be raised but so far as the law point is concerned, since there is no estoppels against the law Elson Machines Pvt. Ltd. v. Collector Of Central Excise 1988 (38) E.L.T. 571 (S.C.) so it can be raised at any time. The law point could not be called as being unreasonable or willful.

Sub-section (11) of Section 107 lays down that the Appellate Authority shall, after making such further inquiry as may be necessary, pass such order, as it thinks just and proper, confirming, modifying or annulling the decision or order appealed against but shall not refer the case back to the adjudicating authority that passed the said decision or order: Proviso I to Section 107(11) states that an order enhancing any fee or penalty or fine in lieu of confiscation or confiscating goods of greater value or reducing the amount of refund or input tax credit shall not be passed unless the appellant has been given a reasonable opportunity of showing cause against the proposed order.

Since he is having full authority to call any information, so
now the law stops the power to remand the case.

If there is a department appeal, and the appellate authority may pass the order to allow the Department appeal than prior to issue an order, the appellant has been given a reasonable opportunity of showing cause against the proposed order.

Section 107 (11) further provides that where the Appellate Authority is of the opinion that any tax has not been paid or short-paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, no order requiring the appellant to pay such tax or input tax credit shall be passed unless the appellant is given notice to show cause against the proposed order and the order is passed within the time limit specified under section 73 or section 74.

It means where there is a part relief in adjudication order, even then [without having any departmental appeal], the Appellate Authority may enhance the demand in terms of Sec. 73. It means even the appellate authority may pass the order against the assessee on the ground which has not been raised by the Revenue in the adjudication process or in the appeal memorandum. Now it is the departure of the well settled principle that an Appellate authority is not competent to make out in favour of the Revenue, a case, which the Revenue never canvassed (in the show cause notice) and which the assessee was never required to meet. [Reckitt & Colman of India Ltd. v. Collector 1996 (88) ELT 641 (SC); Prince Khadi Woolen Handloom Prod. Co-op. Indl. Society v. Collector, 1996 (88) ELT 637 (SC); GTC Industries Ltd. v. Collector 1997 (94) ELT 9 (SC); Warner Hindustan Ltd. v. Collector 1999 (113) ELT 24 (SC)]. A ground which is not taken in first or second appeal against the assessee by the Revenue, cannot be taken up by the Revenue at the Supreme Court – Kuil Fireworks Industries v. CCE 1997 (95) ELT 3 (SC). The Tribunal cannot sustain case of Revenue against the assessee on a ground not raised by the Revenue either in the show cause notice or in the order- Saci Allied Products Ltd v. CCE 2005 (183) ELT-225(SC).

Now the principle that the Department request for production of additional evidence at balated stage not permissible when same produced to fill – up lacunas in investigations - Commr. of C. Ex., Bangalore v. Vaigai Thread Processors Ltd. 2004 (169) E.L.T. 82 (Tri. - Bang.) will not be applicable. It means after reply of the Show Cause Notice, any modification in Show Cause Notice is permissible. A corrigendum or addendum to a show cause notice have to be issued after receipt of reply of notice to the original notice. It means the various maxims pronounced [e.g. CC v. Chetan Enterprises 2007 (207) ELT 403(T); Mahindra & Mahindra Ltd v. CCE 2006 (196) ELT 62(T); Rao Industries v. CCE 2009(237)ELT 128(T)] in various decisions is now not applicable.

It is not the function of the Appellate Authority to enter into the arena and make suppositions that are tantamount to the evidence that a party before it has failed to lead. It is not an investigation to the Appellate Authority to give its opinion thereon, brushing aside the evidence before it. The technical knowledge of the Appellate Authority makes for better appreciation of the record but not its substitution – Hindustan Ferodo Ltd. v. CCE 1997 (89) ELT -16 (SC).

Now this maxim will also be departed.

Section 107(12) states that the order of the Appellate Authority is final.
Authority disposing of the appeal shall be in writing and shall state the points for determination, the decision thereon and the reasons for such decision. Now it requires the full speaking order on all the law points and facts raised by the assessee as well as by the Revenue.

Sub-section (13) of Section 107 stipulates the time limit to decide the appeal within a period of one year but not in strict term because the expressions employed are “………….where it is possible to do so………………”.

Sub-section (14) of Section 107 is about the communication of the Order – in – Appeal to the appellant, the respondent as well as to the adjudicating authority as well as Jurisdictional Commissioner or the authority designated by him in this behalf and the jurisdictional Commissioner of State tax or Commissioner of Union Territory Tax or an authority designated by him in terms of Sub-section (15).

Section 107 (16) provides that every order passed under this section shall, subject to the provisions of section 108 or section 113 or section 117 or section 118 be final and binding on the parties.

Section 108 is absolute power of Revisional Authority, Section 108(1) lays down that subject to the provisions of section 121 and any rules made thereunder, the Revisional Authority may, on his own motion, or upon information received by him or on request from the Commissioner of State tax, or the Commissioner of Union territory tax, call for and examine the record of any proceedings, and if he considers that any decision or order passed under this Act or under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act by any officer subordinate to him is erroneous in so far as it is prejudicial to the interest of revenue and is illegal or improper or has not taken into account certain material facts, whether available at the time of issuance of the said order or not or in consequence of an observation by the Comptroller and Auditor General of India, he may, if necessary, stay the operation of such decision or order for such period as he deems fit and after giving the person concerned an opportunity of being heard and after making such further inquiry as may be necessary, pass such order, as he thinks just and proper, including enhancing or modifying or annulling the said decision or order.

In the above provision, the expressions employed are “…………any decision or order passed under this Act or under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act by any officer subordinate to him……………by the Comptroller and Auditor General of India…………”, in such terms, two condition could be concluded – One is the order or decision is prejudicial to the interest of revenue; and Second is “…………order and decision is illegal…………….” which means both the condition must be fulfilled prior to invoking the jurisdiction of Revesional Authority. One is only one and second is combine out of which at least one is required to be fulfilled.

Section 108(2) lays down that the Revisional Authority shall not exercise any power under sub-section (1), if—

(a) the order has been subject to an appeal under section 107 or section 112 or section 117 or section 118; or

(b) the period specified under sub-section (2) of section 107 has not yet expired or more than three years have expired after the passing of the decision or order sought to be revised; or

(c) the order has already been taken for revision under this section at an earlier stage; or

(d) the order has been passed in exercise of the powers under sub-section (1): Provided that the Revesional Authority may pass an order under sub-section (1) on any point which has not been raised and decided in an appeal referred to in clause (a) of sub-section (2), before the expiry of a period of one year from the date of the order in such appeal or before the expiry of a period of three years referred to in clause (b) of that sub-section, whichever is later.

Section 108(3) states that every order passed in revision under sub-section (1) shall, subject to the provisions of section 113 or section 117 or section 118, be final and binding on the parties.

Section 108(4) stipulates that if the said decision or order involves an issue on which the Appellate Tribunal or the High Court has given its decision in some other proceedings and an appeal to the High Court or the Supreme Court against such decision of the Appellate Tribunal or the High Court is pending, the period spent between the date of the decision of the Appellate Tribunal and the date of the decision of the High Court or the date of the decision of the Supreme Court shall be excluded in computing the period of limitation referred to in clause (b) of sub-section (2) where proceedings for revision have been initiated by way of issue of a notice under this section.

Section 108(5) provides that where the issuance of an order under sub-section (1) is stayed by the order of a court or Appellate Tribunal, the period of such stay shall be excluded in computing the period of limitation referred to in clause (b) of sub-section (2).

Section 108(6) expressed that for the purposes of this section, the term,—

(i) “record” shall include all records relating to any proceedings under this Act available at the time of examination by the Revesional Authority;

(ii) “decision” shall include intimation given by any officer lower in rank than the Revesional Authority.

Section 113 is for the appeal filed before the Appellate Tribunal, section 117 for appeal to High Court and section 118 for appeal to Supreme Court and subject to such provisions, the order issued by the Commissioner (Appeals) is final and binding on the parties.
ICSI-CCGRT is pleased to announce unique Critical Research Analysis of Companies Act, 2013 with an objective of creating knowledge reserve among its Members, both in employment and practice, students pursuing Company Secretary and other professional courses, academicians, corporate professionals and other interested folk in order to make them as epitome of knowledge and useful to corporate world.

The purpose of this competition is to identify significant concepts and try to find out a comprehensive and definitive solutions. Since research in all disciplines and subjects, must begin with a clearly defined goal, this activity is also designed keeping those objectives in mind.

Prologue
Indian Company Law is a procedural law, emerging out with various critical issues in its implementation and operation. Since 01-04-2014, being the notification date for various sections, industry professionals, corporates have been facing various critical issues which are of utmost importance in the field of law as well as in the execution. Further, the Companies Act, 2013 have provided robust base to Corporate Governance. As it can be observed from the corporate history, that there have been lot of financial fiascos which have taken place, and in turn have created the need for effective corporate governance. The Companies Act, 2013 has espoused the tenets of corporate governance, thereby, played a pivotal role in protecting the interest of stakeholders. Embracing the concepts like, Independent Director, Woman Director, Secretarial Audit, Internal Audit, CSR, Class Action Suit, Related Party Transaction etc. all goes a long way in ensuring the best governance practices on the part of the management of corporate houses.

In light of this, it generates substantial interest to delve deep into the critical dimensions of Indian Companies Act, 2013. These critical research analyses will help the members and others in identifying the gaps and also providing the solutions to the industry and regulators etc.

Objectives:

a) To comprehend the implications of critical aspects covered under Companies Act, 2013.

b) To analyze the different school of thoughts on the critical issues.

c) To find out probable solution based on National /

d) To understand the probable hurdles that are being witnessed by corporate houses in embracing the sections covered under Companies Act, 2013.

Coverage-
Section 245 of the Companies Act, 2013 provides for Class action suits. For the purpose of class action suits, it gives the power to such number of member(s), depositor(s) or any class of them are eligible to make an application to the tribunal when the management or conduct of the affairs of the company are being conducted in a manner prejudicial to the interests of the company or its members or its depositors.

Sub-section (1) of the said section states that

“Such number of member or members, depositor or depositors or any class of them, as the case may be, as are indicated in sub-section (2) may, if they are of the opinion that the management or conduct of the affairs of the company are being conducted in a manner prejudicial to the interests of the company or its members or depositors, file an application before the Tribunal on behalf of the members or depositors for seeking all or any of the following orders, namely;—

(a) to restrain the company from committing an act which is ultra vires the articles or memorandum of the company;

(b) to restrain the company from committing breach of any provision of the company’s memorandum or articles;

(c) to declare a resolution altering the memorandum or articles of the company as void if the resolution was passed by suppression of material facts or obtained by mis-statement to the members or depositors;

(d) to restrain the company and its directors from acting on such resolution;

(e) to restrain the company from doing an act which is contrary to the provisions of this Act or any other law for the time being in force;

(f) to restrain the company from taking action contrary to any resolution passed by the members;

(g) to claim damages or compensation or demand any other suitable action from or against—

(i) the company or its directors for any fraudulent, unlawful or wrongful act or omission or conduct or any likely act or omission or conduct on its or their part;

(ii) the auditor including audit firm of the company for any improper or misleading statement of particulars made in his audit report or for any fraudulent, unlawful or wrongful act or conduct; or

(iii) any expert or advisor or consultant or any other person for any incorrect or misleading statement made to the company or for any fraudulent, unlawful or wrongful act or conduct or any likely act or conduct on his part;

(h) to seek any other remedy as the Tribunal may deem fit.”

Precursor to the Problem

The sub-section 1 states that the member(s) or depositors(s) are only eligible to make an application

The Problem

1. Why only member(s) or depositor(s) are eligible? Why not other stake holders?

2. Whether deemed depositor like Debenture holders will be included in the eligible criteria for making application to the Tribunal?

Views are invited on various intricacies of class action suits and also identify various critical aspects of this Section by dwelling deep into every sub section.

The submissions can be substantiated with foreign case laws also, since this is a new concept introduced.

How to present the Significant Aspects

Answers of the critical issues needs to be presented in the format appended below-

✧ S.NO.
✧ Issue (heads)
✧ Details of issue with justification
✧ Different School of Thoughts
✧ Interpretation issues
✧ Relevant Sections of Indian Companies Act, 2013 as well as Indian Companies Act, 1956.
✧ Relevant provisions of any other Indian Corporate Laws and international Corporate Laws.

Research Paper / Manuscript Guidelines

• Original papers are invited from Company Secretaries in employment & practice, Chartered Accountants, Advocates, Academicians, merchant bankers, doyens from industry and interested folk.

• The paper must be accompanied with the author’s name(s), affiliations(s), full postal address, email ID, and telephone/fax number along with the title of the paper on the front page and membership details of professional bodies, if any.

• Full text of the paper should be submitted in MS Word using Times New Roman, font size 12 on A4 size paper in 1.5 spacing, with a maximum of 5000 words.

• The text should be typed in MS-Word.
The author/s’ name should not appear anywhere else on the body of the manuscript to facilitate the blind review process. The research paper should be in clear, coherent and concise English.

Tables / Exhibits should be numbered consecutively in Arabic numerals and should be referred to in the text as Table 1, Table 2 / Exhibit 1, Exhibit 2 etc.

All notes must be serially numbered. These should be given at the bottom of the page as footnotes.

The following should also accompany the manuscripts on separate sheets: (i) A brief biographical sketch (60-80 words) of the author/s describing current designation and affiliation, specialization, number of books and articles in refereed journals, membership number of ICSI, if any, and other membership on editorial boards and companies, etc.

The research papers should reach the Competition Committee on or before 15th November 2017 by 12 noon (IST).

Participants should email their research papers on the following email id: ccgrt@icsi.edu & research.icsi@gmail.com

The paper may be presented either in single section of any chapter or multiple sections after chapters.

There is no restriction on number of entries. One participant can submit more than one entries.

Further Information for Authors / Participants

- The decision of the Reviewing Committee will be final and binding on the participants.

- The Institute of Company Secretaries of India reserves the right to publish or refer the selected papers for various publications viz; Souvenirs, Books, Study materials published by the institute or in any seminar / conference / workshop / Research Programs conducted by institute either on its own or jointly with other organizations and also in regular course of activities of ICSI.

- The papers will be scrutinized by an Expert Committee.

- For any query / assistance, kindly contact at: ccgrt@icsi.edu

- Participants will be rewarded with suitable prizes.

- Further participants who are the members of the ICSI will be conferred with credit hours of ICSI based on the content and quality of the research paper and as recommended by screening committee.

- ICSI reserves all intellectual property rights including in particular copyright, trade mark, design and other intellectual rights. The authors are not entitled for any remuneration or compensation or royalty. The participants / authors shall submit the Declaration Form to the institute at the time of submission of paper.

- ICSI reserve all the rights for finalization and selection of papers and awarding rewards, credit hours.

CS (Dr.) Shyam Agarwal  
President, ICSI

CS Ahalada Rao V  
Chairman  
ICSI-Research Committee

CS Ashish Garg  
Chairman  
ICSI-CCGRT Management Committee
3

LEGAL WORLD

- RAM CHAND AND SONS SUGAR MILLS PVT LTD V. KANHAYA LAL BHARGAVA & ORS [SC]
- MOBILUX INNOVATIONS PVT LTD V. KIRUSA SOFTWARE PVT LTD [SC]
- SURENDRA TRADING COMPANY V. JUGGILAL KAMLAPAT JUTE MILLS CO LTD [SC]
- INNOVENTIVE INDUSTRIES LTD V. ICICI & ANR [SC]
- ALL ESCORTS EMPLOYEES UNION V. THE STATE OF HARYANA [SC]
- M.D. FROZEN FOODS EXPORTS PVT. LTD V. HERO FINCORP LTD [SC]
- PILE ENGINEERING INDIA (P) LTD V. BIHAR RAJYA PUL NIRMAN NIGAM LTD [SC]
- WESTERN COALFIELDS LTD V. SSV COAL CARRIERS PVT LTD & ORS [CCI]
- INTERNATIONAL AIR TRANSPORT ASSOCIATION V. AIR CARGO AGENTS ASSOCIATION OF INDIA [CCI]
LMJ 24:10:2017

RAM CHAND AND SONS SUGAR MILLS PVT LTD v. KANHAYA LAL BHARGAVA & ORS. [SC]

Civil Appal No.166 of 1966

K.Subba Rao & V.Ramaswami, JJ. [Decided on 10/03/1966]

Equivalent citations: (1967) 37 Comp Cas 42.

Companies Act, 1956 read with Order 23 of the CPC- suit against company- director fails to appear in court- defence of the company struck off- whether correct- Held, No.

Brief facts:
Respondent Kanhaya Lal Bhargava filed a suit against the appellant company and one Ram Sarup for the recovery of a, sum of Rs. 45,112.94. The respondent filed an application for striking off the defence or in the alternative for directing Jugal Kishore, a director of the Appellant-company, to appear in court. Inspite of the court issuing summons on the director and giving many opportunity, he did not appear. Therefore the court struck off the defence of the Appellant Company. The High court also confirmed the same. Hence the present appeal.

Decision : Appeal allowed.

Reason:
There is nothing in O.XXIX of the Code which, expressly or by necessary implication, precludes the exercise of the inherent power of the court under section 151 of the Code. We are, therefore, of the opinion that in a case of default made by a director who failed to appear in court when he was so required under O.XXIX, r. 3, of the Code, the court can make a suitable consequential order under section 151 of the Code as may be necessary for the ends of justice or to prevent abuse of the process of the court.

The next question is whether the court can, as it did in the present case, strike off the defence of the appellant for the default made by its director to appear in court. Learned counsel for the respondent contended that both the courts in effect found that the director was guilty of a recalcitrant attitude and that he had abused the process of the court and, therefore, the Subordinate Judge had rightly exercised his inherent power in striking off the defence of the appellant. We are satisfied, as the courts below were, that Jugal Kishore, the director of the appellant-company, purposely for one reason or other, defied the orders of the court on the pretext of illness and had certainly abused the process of the court. The learned Subordinate Judge would have been well within his rights to take suitable action against him, but neither of the courts found that the appellant was responsible or instrumental for the director not attending the court. Unless there is a finding of collusion between the appellant and the director in that the former prevented the latter from appearing in court, we find it difficult to make the company constructively liable for the default of one of its directors. Many situations may be visualized when one of the directors may not obey the directions of the company or its board of directors or may be even working against its interests.

It cannot be disputed that a company and the directors of the company are different legal personalities. The company derives its powers from the memorandum of association. Some of the powers are delegated to the directors. For certain purposes they are said to be trustees and for some others to be the agents or managers of the company. It is not necessary in this case to define the exact relationship of a director qua the company. The acts of the directors within the powers conferred on them may be binding on the company. But their acts outside the said powers will not bind the company. It is not possible to hold that the director in refusing to respond to the notice given by the court was acting within the scope of the powers conferred on him. He is only liable for his acts and not the company. If it was established that the company was guilty of abuse of the process of the court by preventing the director from attending the court, the court would have been justified in striking off the defence. But no such finding was given by the courts below.

The orders of the courts below are not correct. We set aside the said orders and direct the Subordinate Judge to proceed with the suit in accordance with law. The appeal is allowed, but, in the circumstances of the case, without costs.

LW 71:10:2017

MOBILIOX INNOVATIONS PVT LTD v. KIRUSA SOFTWARE PVT LTD [SC]

Civil Appeal No. 9405 of 2017

R.F. Nariman, J & S.K.Kaul, JJ. [Decided on 21/09/207]

Insolvency and Bankruptcy code, 2016- section 8- operational debt- term ‘existence of dispute’, meaning thereof- explained by the Supreme Court.

Brief facts:
The present appeal raises questions as to the triggering of the Insolvency and Bankruptcy Code, 2016 when it comes to operational debts owed to operational creditors.

The appellant was engaged by Star TV for conducting tele-voting for the “Nach Baliye” program on Star TV. The appellant in turn subcontracted the work to the respondent. The respondent provided the requisite services and raised monthly invoices and also followed up with the appellant for payment of pending invoices. It is also important to note that a non-disclosure agreement (“NDA”) was executed between the parties.

More than a month after execution of the aforesaid agreement, the appellant, wrote to the respondent that they were withholding payments against invoices raised by the respondent, as the respondent had disclosed on their webpage that they had worked for the “Nach Baliye” program run by Star TV, and had thus breached the NDA.

Respondent filed an application with the NCLT under Sections 8 and 9 of the new Code stating that an operational debt of Rs.20,08,202.55 was owed by the Appellant. NCLT dismissed the application on the ground that the appellant had disputed the claim of debt alleged by the respondent. On appeal NCAI deferred the case back to NCLT.

Appellant challenged the order of the NCLT before the Supreme Court.
Decision: Appeal allowed.

Reason:
The adjudicating authority, when examining an application under Section 9 of the Act will have to determine: (i) Whether there is an “operational debt” as defined exceeding Rs.1 lakh? (See Section 4 of the Act) (ii) Whether the documentary evidence furnished with the application shows that the aforesaid debt is due and payable and has not yet been paid? and (iii) Whether there is existence of a dispute between the parties or the record of the pendency of a suit or arbitration proceeding filed before the receipt of the demand notice of the unpaid operational debt in relation to such dispute? If any one of the aforesaid conditions is lacking, the application would have to be rejected. Apart from the above, the adjudicating authority must follow the mandate of Section 9, as outlined above, and in particular the mandate of Section 9(5) of the Act, and admit or reject the application, as the case may be, depending upon the factors mentioned in Section 9(5) of the Act. It is now important to construe Section 8 of the Code. The operational creditors are those creditors to whom an operational debt is owed, and an operational debt, in turn, means a claim in respect of the provision of goods or services, including employment, or a debt in respect of repayment of dues arising under any law for the time being in force and payable to the Government or to a local authority. This has to be contrasted with financial debts that may be owed to financial creditors, which was the subject matter of the judgment delivered by this Court on 31.8.2017 in Innoventive Industries Ltd. v. ICICI Bank & Anr. (Civil Appeal Nos.8337-8338 of 2017). In this judgment, we had held that the adjudicating authority under Section 7 of the Code has to ascertain the existence of a default from the records of the information utility or on the basis of evidence furnished by the financial creditor within 14 days. The corporate debtor is entitled to point out to the adjudicating authority that a default has not occurred; in the sense that a debt, which may also include a disputed claim, is not due i.e. it is not payable in law or in fact.

This Court then went on to state:
“29. The scheme of Section 7 stands in contrast with the scheme under Section 8 where an operational creditor is, on the occurrence of a default, to first deliver a demand notice of the unpaid debt to the operational debtor in the manner provided in Section 8(1) of the Code. Under Section 8(2), the corporate debtor can, within a period of 10 days of receipt of the demand notice or copy of the invoice mentioned in sub-section (1), bring to the notice of the operational creditor the existence of a dispute or the record of the pendency of a suit or arbitration proceedings, which is pre-existing – i.e. before such notice or invoice was received by the corporate debtor. The moment there is existence of such a dispute, the operational creditor gets out of the clutches of the Code.”

It is, thus, clear that so far as an operational creditor is concerned, a demand notice of an unpaid operational debt or copy of an invoice demanding payment of the amount involved must be delivered in the prescribed form. The corporate debtor is then given a period of 10 days from the receipt of the demand notice or copy of the invoice to bring to the notice of the operational creditor the existence of a dispute, if any. We have also seen the notes on clauses annexed to the Insolvency and Bankruptcy Bill of 2015, in which “the existence of a dispute” alone is mentioned. Even otherwise, the word “and” occurring in Section 8(2)(a) must be read as “or” keeping in mind the legislative intent and the fact that an anomalous situation would arise if it is not read as “or”. If read as “and”, disputes would only stave off the bankruptcy process if they are already pending in a suit or arbitration proceedings and not otherwise. This would lead to great hardship; in that a dispute may arise a few days before triggering of the insolvency process, in which case, though a dispute may exist, there is no time to approach either an arbitral tribunal or a court. Further, given the fact that long limitation periods are allowed, where disputes may arise and do not reach an arbitral tribunal or a court for upto three years, such persons would be outside the purview of Section 8(2) leading to bankruptcy proceedings commencing against them. Such an anomaly cannot possibly have been intended by the legislature nor has it so been intended. We have also seen that one of the objects of the Code qua operational debts is to ensure that the amount of such debts, which is usually smaller than that of financial debts, does not enable operational creditors to put the corporate debtor into the insolvency resolution process prematurely or initiate the process for extraneous considerations. It is for this reason that it is enough that a dispute exists between the parties.

It is settled law that the expression “and” may be read as “or” in order to further the object of the statute and/or to avoid an anomalous situation. This being the case, is it not open to the adjudicating authority to then go into whether a dispute does or does not exist?

It is important to notice that Section 255 read with the Eleventh Schedule of the Code has amended Section 271 of the Companies Act, 2013 so that a company being unable to pay its debts is no longer a ground for winding up a company. The old law contained in Madhusudan (supra) has, therefore, disappeared with the disappearance of this ground in Section 271 of the Companies Act.

We have already noticed that in the first Insolvency and Bankruptcy Bill, 2015 that was annexed to the Bankruptcy Law Reforms Committee Report, Section 5(4) defined “dispute” as meaning a “bona fide suit or arbitration proceedings…” In its present avatar, Section 5(6) excludes the expression “bona fide” which is of significance. Therefore, it is difficult to import the expression “bona fide” into Section 8(2)(a) in order to judge whether a dispute exists or not.

It is clear, therefore, that once the operational creditor has filed an application, which is otherwise complete, the adjudicating authority must reject the application under Section 9(5)(2)(d) if notice of dispute has been received by the operational creditor or there is a record of dispute in the information utility. It is clear that such notice must bring to the notice of the operational creditor the “existence” of a dispute or the fact that a suit or arbitration proceeding relating to a dispute is pending between the parties. Therefore, all that the adjudicating authority is to see at this stage is whether there is a plausible contention which requires further investigation and that the “dispute” is not a patently feeble legal argument or an assertion of fact unsupported by evidence. It is important to separate the grain from the chaff and to reject a spurious defence which is mere bluster. However, in doing so, the Court does not need to be satisfied that the defence is likely to succeed. The Court does not at this stage examine the merits of the dispute except to the extent indicated above. So long as a dispute truly exists in fact and is not spurious, hypothetical or illusory, the adjudicating authority has to reject the application.

Going by the aforesaid test of “existence of a dispute”, it is clear that without going into the merits of the dispute, the appellant has raised a plausible contention requiring further investigation which is not a patently feeble legal argument or an assertion of facts unsupported by evidence. The defence is not spurious, mere bluster, plainly frivolous or vexatious. A dispute does truly exist in fact between the parties, which may or may not ultimately succeed, and the Appellate Tribunal was wholly incorrect in characterizing the defence as vague, got-up and motivated to evade liability.

SURENDRA TRADING COMPANY v. JUGGILAL KAMLAPAT

LW 72:10:2017
Insolvency and Bankruptcy Code, 2016- proviso to section 9 (5) – 7 days’ time limit to remove defects in the application- whether directory – Held Yes.

Brief facts:
The crux of the issue was that the appellant operational creditor filed an application before the NCLT under sections 8 and 9 of the Insolvency and Bankruptcy Code 2016 (the Code) against the respondent corporate debtor. The NCLT observed certain deficiencies in the application and directed the appellant to remove the same within 7 days as provided under section 9. The appellant removed the defects but after the expiry of 7 days. The NCLT dismissed the application. On appeal, the NCALT held that the appellant should have cured the defects within 7 days as the provision was mandatory. This is being challenged in the present appeal. The core issue involved in the appeal was whether the 7 days prescribed in the section is mandatory or directory.

Decision: Appeal allowed.

Reason:
We make it clear at the outset that since we are dealing with the substantial issue as to whether seven days period provided for removing the defects is mandatory or not, it is not necessary to touch upon these mundane aspects. Instead, it would be better to concentrate on the substance of the matter.

As mentioned above, insofar as prescription of fourteen days within which the adjudicating authority has to pass an order under sub-section (5) of Section 9 for admitting or rejecting the application is concerned, the NCLAT has held that the same cannot be treated as mandatory. Though this view is not under challenge (and rightly so), discussion in the impugned order on this aspect has definite bearing on the other question, with which this Court is concerned. Therefore, we deem it apposite to discuss the rationale which is provided by the NCLAT itself in arriving at the aforesaid conclusion insofar as first aspect is concerned.

It is pointed out by the NCLAT that where an application is not disposed of or an order is not passed within a period specified in the Code, in such cases the adjudicating authority may record the reasons for not doing so within the period so specified and may request the President of the NCLAT for extension of time, who may, after taking into account the reasons so recorded, extend the period specified in the Code, but not exceeding ten days, as provided in Section 64(1) of the Code. The NCLAT has thereupon scanned through the scheme of the Code by pointing out various steps of the insolvency resolution process and the time limits prescribed therefor.

It is of relevance to mention here that the corporate insolvency resolution process can be initiated by the financial creditor under Section 7 of the Code, by the operational creditor under Section 9 of the Code and by a corporate applicant under Section 10 of the Code. There is a slight difference in these provisions insofar as criteria for admission or rejection of the applications filed under respective provisions is concerned. However, it is pertinent to note that after the admission of the insolvency resolution process, the procedure to deal with these applications, whether filed by the financial creditor or operational creditor or corporate applicant, is the same. The aforesaid statutory scheme laying down time limits sends a clear message, as rightly held by the NCLAT also, that time is the essence of the Code. Notwithstanding this salutary theme and spirit behind the Code, the NCLAT has concluded that as far as fourteen days’ time provided to the adjudicating authority for admitting or rejecting the application for initiation of insolvency resolution process is concerned, this period is not mandatory. For arriving at such a conclusion, the NCLAT has discussed the law laid down by this Court in some judgments.

The NCLAT has also held that fourteen days period is to be calculated ‘from the date of receipt of application’. The NCLAT has clarified that date of receipt of application cannot be treated to be the date of filing of the application. Since the Registry is required to find out whether the application is in proper form and accompanied with such fee as may be prescribed, it will take some time in examining the application and, therefore, fourteen days period granted to the adjudicating authority under the aforesaid provisions would be from the date when such an application is presented before the adjudicating authority, i.e. the date on which it is listed for admission/order.

After analysing the provision of fourteen days’ time within which the adjudicating authority is to pass the order, the NCLAT immediately jumped to another conclusion, viz. the period of seven days mentioned in proviso to sub-section (5) of Section 9 for removing the defect is mandatory. We are not able to decipher any valid reason given while coming to the conclusion that the period mentioned in proviso is mandatory. The order of the NCLAT, thereafter, proceeds to take note of the provisions of Section 12 of the Code and points out the time limit for completion of insolvency resolution process is 180 days, which period can be extended by another 90 days. However, that can hardly provide any justification to construe the provisions of proviso to sub-section (5) of Section 9 in the manner in which it is done. It is to be borne in mind that limit of 180 days mentioned in Section 12 also starts from the date of admission of the application. Period prior thereto which is consumed, after the filing of the application under Section 9 (or for that matter under Section 7 or Section 10), whether by the Registry of the adjudicating authority in scrutinising the application or by the applicant in removing the defects or by the adjudicating authority in admitting the application is not to be taken into account. In fact, till the objections are removed it is not to be treated as application validly filed inasmuch as only after the application is complete in every respect it is required to be entertained. In this scenario, making the period of seven days contained in the proviso as mandatory does not commend to us. No purpose is going to be served by treating this period as mandatory. In a given case there may be weighty, valid and justifiable reasons for not able to remove the defects within seven days. Notwithstanding the same, the effect would be to reject the application.

Let us examine the question from another lens. The moot question would be as to whether such a rejection would be treated as rejecting the application on merits thereby debarring the application from filing fresh application or it is to be treated as an administrative order since the rejection was because of the reason that defects were not removed and application was not examined on merits. In the former case it would be travesty of justice that even if the case of the applicant on merits is very strong, the applicant is shown the door without adjudication of his application. If the latter alternative is accepted, then rejection of the application in the first instance is not going to serve any purpose as the applicant would be permitted to file fresh application, complete in all aspects, which would have to be entertained. Thus, in either case, no purpose is served by treating the aforesaid provision as mandatory. Further, we are of the view that the judgments cited by the NCLAT and the principle contained therein applied while deciding that period of fourteen days within which the adjudicating authority has to pass the order is not mandatory but directory in nature would equally apply while interpreting proviso to sub-section (5) of Section 7, Section 9 or sub-section (4) of Section 10 as well. After all, the applicant does
not gain anything by not removing the objections inasmuch as till the objections are removed, such an application would not be entertained. Therefore, it is in the interest of the applicant to remove the defects as early as possible.

Thus, we hold that the aforesaid provision of removing the defects within seven days is directory and not mandatory in nature. However, we would like to enter a caveat. We are also conscious of the fact that sometimes applicants or their counsel may show laxity by not removing the objections within the time given and make it for granted that they would be given unlimited time for such a purpose. There may also be cases where such applications are frivolous in nature which would be filed for some oblique motives and the applicants may want those applications to remain pending and, therefore, would not remove the defects. In order to take care of such cases, a balanced approach is needed. Thus, while interpreting the provisions to be directory in nature, at the same time, it can be laid down that if the objections are not removed within seven days, the applicant while refilling the application after removing the objections, file an application in writing showing sufficient case as to why the applicant could not remove the objections within seven days. When such an application comes up for admission/order before the adjudicating authority, it would be for the adjudicating authority to decide as to whether sufficient cause is shown in not removing the defects beyond the period of seven days. Once the adjudicating authority is satisfied that such a case is shown, only then it would entertain the application on merits, otherwise it will have right to dismiss the application. The aforesaid process indicated by us can find support from the judgment of this Court in Kailash v. Nanhku & Ors., (2005) 4 SCC 480.

In fine, these appeals are allowed and that part of the impugned judgment of NCLAT which holds proviso to sub-section (5) of Section 7 or proviso to sub-section (5) of Section 9 or proviso to sub-section (4) of Section 10 to remove the defects within seven days as mandatory and on failure applications to be rejected, is set aside.

**LW 73:10:2017**

**INNOVENTIVE INDUSTRIES LTD v. ICICI & ANR [SC]**

Civl Appeal Nos. 8337-8338 of 2017

R.F.Nariman & S.K.Kaul, JJ. [Decided on 31/08/2017]

Insolvency and Bankruptcy Code, 2016 – corporate debtor entered into CDR with 19 financial creditors- one financial creditor (respondent) invoked the provisions the Code – application filed before the NCLT- objections raised as to the applicability of the Code qua the Maharashtra Act and that the debt is not due under the CDR agreement- objections rejected- application admitted- NCALT dismissed the appeal- whether contentions of the appellant are tenable- Held, No.

**Brief facts:**

The appellant is a multi-product company catering to applications in diverse sectors. It had borrowed from various financial institutions including the respondent herein. A corporate debt restructuring plan (CDR) was framed between 19 lenders and the appellant in 2014 and a master restructuring agreement (hereinafter referred to as the MRA), by which funds were to be infused by the creditors, and certain obligations were to be met by the debtors. The aforesaid restructuring plan was implementable over a period of 2 years. Ultimately, an application was made on 07/12/2016 by ICICI Bank Ltd., in which it was stated that the appellant being a defaulter within the meaning of the Code, the insolvency resolution process ought to be set in motion. To this application, a reply was filed by means of an interim application on behalf of the appellant, in which the appellant claimed that there was no debt legally due in as much as vide two notifications issued under the Maharashtra Relief Undertakings (Special Provisions Act), 1958 (hereinafter referred to as the Maharashtra Act), all liabilities of the appellant, except certain liabilities with which we are not concerned, and remedies for enforcement thereof were temporarily suspended for a period up to 18/07/2017. It may be added that this was the only point raised on behalf of the appellant in order to stave off the admission of the ICICI Bank application made before the NCLT.

On 16/01/2017, a second application was filed by the appellant in which a different plea was taken. This time, the appellant pleaded that owing to non-release of funds under the MRA, the appellant was unable to pay back its debts as envisaged. Further, it repaid only some amounts to five lenders, who, according to the appellant, complied with their obligations under the MRA. In the aforesaid circumstances, it was pleaded that no default was committed by it.

The NCLT held that the Code would prevail against the Maharashtra Act and held that the Parliamentary statute would prevail over the State statute and this being so, it is obvious that the corporate debtor had defaulted in making payments, as per the evidence placed by the financial creditors. Hence, the application was admitted and a moratorium was declared. Appeal made to the NCALT was also dismissed. Hence the present appeal.

**Decision:** Appeal dismissed.

**Reason:**

Having heard learned counsel for both the parties, we find substance in the plea taken by Shri Salve that the present appeal at the behest of the erstwhile directors of the appellant is not maintainable. According to us, once an insolvency professional is appointed to manage the company, the erstwhile directors who are no longer in management, obviously cannot maintain an appeal on behalf of the company. In the present case, the company is the sole appellant. This being the case, the present appeal is obviously not maintainable. However, we are not inclined to dismiss the appeal on this score alone. Having heard both the learned counsel at some length, and because this is the very first application that has been moved under the Code, we thought it necessary to deliver a detailed judgment so that all Courts and Tribunals may take notice of a paradigm shift in the law. Entrenched managements are no longer allowed to continue in management if they cannot pay their debts. Both the Tribunal and the Appellate Tribunal refused to go into the other contentions of the Appellant viz. that under the MRA, it was because the creditors did not disburse the amounts thereunder that the appellant was not able to pay its dues. We are of the view that the Tribunal and the Appellate Tribunal were right in not going into this contention for the very good reason that the period of 14 days within which the application is to be decided was long over by the time the second application was made before the Tribunal. Also, the second application clearly appears to be an after-thought for the reason that the corporate debtor was fully aware of the fact that the MRA had failed and could easily have pointed out these facts in the first application itself. However, for reasons best known to it, the appellant chose to take up only a law point before the Tribunal. The law point before the Tribunal was argued on 22nd and 23rd December, 2016, presumably with little success. It is only as an after-thought that the second application was then filed to add an additional string to a bow which appeared to the appellants to have already been broken.

The obligation of the corporate debtor was, therefore, unconditional and did not depend upon infusing of funds by the creditors into the
appellant company. Also, the argument taken for the first time before us that no debt was in fact due under the MRA as it has not fallen due (owing to the default of the secured creditor) is not something that can be countenanced at this stage of the proceedings. In this view of the matter, we are of the considered view that the Tribunal and the Appellate Tribunal were right in admitting the application filed by the financial creditor ICICI Bank Ltd.

The appeals, accordingly, stand dismissed. There shall, however, be no order as to costs.

**Reason:**

As per Clause 4 as originally stood, only those workmen who were employed in Escorts Group of Industries could become members of the appellant-Union. This Clause also made it clear that the membership of a workman who ceases to be employee of Escorts Group shall automatically be terminated. It was, thus, clear that the appellant-Union wanted only those workmen to be its members who are the employees of the Establishment in question, namely, the Escorts Group. After the hiving off motorcycle manufacturing unit from the Escorts Group and take over thereof by Yamaha, this unit has no common interest with the workers of the Escorts Group. This becomes clear as the workers of the two plants of the said motorcycle unit were taken over by Yamaha vide notice dated June 23, 2001. These workers have thereafter become the workers of Yamaha. Thus, by virtue of original/unamended Clause 4, they no longer remain members of the appellant-Union. From the definition of Trade Union contained in Section 2(h) of the Act, it becomes apparent that such a Union is formed primarily for the purpose of regulating the relations between workmen and employers (which is the instant case) or it can be between workmen and workmen or between employers and employers. It includes any federation of two or more Trade Unions also though we are not concerned with it. When we keep in mind the aforesaid objective of formation of a Trade Union, namely, regulating the relations between the workmen and its employer, normally such a Union of workmen would be of those workmen who work in a particular Establishment. This gets further strengthened when we peruse the definition of Trade Dispute contained in Section 2(g) of the Act. The Trade Unions of workmen while regulating their relations between the employers would normally have negotiations representing its workmen before the employer and in case those negotiations do not result in amicable settlement or resolution of disputes, such Trade Unions would raise trade dispute with its employer. Section 6 of the Act mandates a Trade Union to have its Constitution/Bye-Laws/Rules by incorporation of the provisions contained therein i.e. under Section 6. Clause (e) deals with admission of ordinary members and specifically provides that ordinary members should be those persons who are actually engaged or employed in an industry with which the Trade Union is connected. This provision implicitly confines the membership to those who are the workmen of the industry where they are employed.

The moot question here is as to whether such a Trade Union which primarily has the membership of the worker of particular Establishment or industry can broaden its scope by opening the membership even to those who are not the employees of the Establishment in respect of which the said Trade Union has been formed.

At this juncture, it becomes pertinent to note that the workers of Yamaha have formed their own separate Union, known as Yamaha Motor Employees Union. This Union is duly registered by the Registrar, Trade Union, Kanpur (Uttar Pradesh) having Registration No. 7179. It is this Union which now stands recognised by the Management of Yamaha. In these circumstances, the very purpose in amending Clause 4 in the manner it seeks to do stands frustrated. In any case, Clause 4 was amended in the year 2007 and that amendment has been approved by the Registrar, Trade Union. Therefore, issue of amendment in Clause 4, as carried out in June, 2001, becomes a non-issue.

In view of the aforesaid, it is not necessary to deal with the issue raised in these appeals as the issue does not survive. Thus, leaving the question of law open, these appeals are dismissed.

**Decision:** Appeal dismissed.
The only twist in the present case is that, instead of the recovery

**Questions A:**

We now proceed to examine each of the three questions of law framed:

1. Whether the arbitration proceedings initiated by the respondent can be carried on along with the SARFAESI proceedings simultaneously?

2. Whether resort can be had to Section 13 of the SARFAESI Act read with Arbitration and Conciliation Act, 1996 – default in payment by borrower - lender invoked arbitration – meanwhile lender became financial institution by virtue of notification - therefore lender instituted proceeding under SARFAESI Act also- whether tenable- Held, Yes.

3. The SARFAESI Act certainly did not apply retrospectively from the date when it came into force. The question is whether, the Act being applicable to the respondent at a subsequent date and thereby allowing the respondent to utilize its provisions with regards to a past debt, would make any difference to this principle. We are of the view that the answer to the same is in the negative. The Act applies to all the claims which would be alive at the time when it was brought into force. Thus, qua the respondent or other NBFCs, it would be applicable similarly from the date when it was so made applicable to them. Similarly, the date on which a debt is declared as an NPA would again have no impact. We are, thus, of the view that the provisions of the SARFAESI Act would become applicable qua all debts owing and live when the Act became applicable to the respondent. We are, thus, of the view that the appeal is completely devoid of merit, and is only an endeavour to prolong the ultimate “date of judgment” for the appellants to meet their obligations.

**Reason:**

A perusal of the impugned order and the submissions made by learned counsel for the parties have thrown up the following legal issues for determination:

A. Whether the arbitration proceedings initiated by the respondent can be carried on along with the SARFAESI proceedings simultaneously?

B. Whether resort can be had to Section 13 of the SARFAESI Act in respect of debts which have arisen out of a loan agreement/mortgage created prior to the application of the SARFAESI Act to the respondent?

C. A linked question to question (ii), whether the lender can invoke the SARFAESI Act provision where its notification as financial institution under Section 2(1)(m) has been issued after the account became an NPA under Section 2(1)(o) of the said Act?

We now proceed to examine each of the three questions of law framed:

**Question A:**

The only twist in the present case is that, instead of the recovery process under the RDDB Act, we are concerned with an arbitration proceeding. It is trite to say that arbitration is an alternative to the civil proceedings. In fact, when a question was raised as to whether the matters which came within the scope and jurisdiction of the Debt Recovery Tribunal under the RDDB Act, could still be referred to arbitration when both parties have incorporated such a clause, the answer was given in the affirmative. That being the position, the appellants can hardly be permitted to contend that the initiation of arbitration proceedings would, in any manner, prejudice their rights to seek relief under the SARFAESI Act.

The discussion in the impugned order refers to a judgment of the Full Bench of the Delhi High Court opining that an arbitration is an alternative to the RDDB Act. In that context, the learned Single Judge has rightly held that this Full Bench judgment does not, in any manner, help the appellants but, in fact, supports the case of the respondent. We are, thus, unequivocally of the view that SARFAESI proceedings and arbitration proceedings, thus, can go hand in hand.

**Questions B & C**

The Full Bench judgment does not, in any manner, prejudice the rights of the appellants to seek relief under the SARFAESI Act.

**Brief facts:**

The appellants borrowed monies for their business against security of immovable properties by the creation of an equitable mortgage by deposit of title documents (seven such properties). The financial discipline was not adhered to, apparently almost from the inception, and the account of the appellants became a ‘Non-Performing Asset’ (‘NPA’).

The lender referred the dispute of non-payment to arbitration on 16/11/2016. Before this referral, on 05/08/2016 the SARFAESI act was amended and the lender was considered to be a financial institution and thus became eligible to invoke the provisions of SARFAESI Act.

The lender, accordingly, issued demand notices under section 13 of the SARFAESI Act, though the arbitration proceedings were going on. Further, in the arbitration proceedings lender got interim stay and the appellant was restrained from dealing with the mortgaged properties.

The appellant challenged the notices issued under the SAFESI Act before the High court, which dismissed the petition. Hence the present appeal.

**Decision:** Appeal dismissed with costs.

**Brief facts:**

The contract between the parties contained the following clause: “Clause 23: In case any dispute or difference shall arise between the parties or either of them upon any question relating to the meaning of the specifications, designs, drawings and instruction, herein before mentioned or to the quality of workmanship of materials used on the work, or as to the construction of any of the conditions or any clause or thing therein contained, or as to any question, claim, rights or liabilities of the parties, or any matter, or thing whatsoever, in any way arising out of, or relating to the contract, designs, drawings, specifications, estimates, instructions, order or these conditions, or otherwise concerning the work, or the execution, or failure to execute the same whether arising the progress of the work, or after the completion or abandonment thereof or as to the breach of this contract, then either party shall forthwith give to the other notice of such dispute or difference and such dispute or difference shall be referred to the Managing Director of the Corporation and his decision thereon shall be final conclusive and binding on all the parties.”
The core issue is whether the above clause is an arbitration clause.

**Decision:** Appeal allowed.

**Reason:**
This matter has a somewhat chequered history. In that an award that was passed on 25.07.2004 for a sum of Rs. 12,09,000/- was upheld by a learned Single Judge of the Patna High Court on 16.02.2012. However, in an appeal to this Court, this Court by an order dated 12.09.2013, remanded the matter to decide whether there was an arbitration clause in point of fact between the parties. On remand, the impugned judgment dated 16.04.2014 has held that Clause 23 of the Agreement between the parties dated 12.10.1999 did not amount to an arbitration clause.

We are of the opinion that the High Court was in error. The matter is covered by a direct judgment of this Court which is referred to in Vishnu (Dead) by LRs. vs. State of Maharashtra and Others, (2014) 1 SCC 516. In a lengthy judgment referring to most of the judgments on point, this Court referred to the judgment in Mallikarjun vs. Gulbarga University, (2004) 1 SCC 372, Clause 30, on the facts of that case, was set out in this paragraph. It will be noticed that Clause 30 of the aforesaid paragraph and the present Clause 23 are almost identical, with one important difference – namely, the expression “or as to the breach of this contract” occurs in Clause 23 which did not occur in Clause 30 of Mallikarjun’s case. Despite that, the judgment in Mallikarjun’s case held that the aforesaid Clause 30 was an arbitration clause.

Following the aforesaid judgment, we state that Clause 23 of the Agreement was an arbitration clause between the parties. As a result, the impugned judgment of the High Court is set aside and the Arbitral Award dated 25.07.2004 is upheld. Accordingly, the appeal is allowed.

**Reason:**
The Commission observes that all the identical quotes were above the updated estimated and justified cost and mostly below ESM rates. These similarities prima facie indicate that there was some kind of an arrangement amongst the Opposite Parties to collude by aligning the prices for the sand and coal transportation tenders. Further, the fact that such identical rates in the four tenders were much above the average estimated costs portray that the same could not have been the result of independent decision making.

From the facts on record, it appears that the Opposite Parties were coordinating and fixing the prices of their services with the object of distorting the fair bidding process. The identical price quotations submitted by the Opposite Parties appear to have acted by mutual understanding/arrangement or in other words agreement amongst them. Although some of the Opposite Parties had quoted different rates, their rates were too close to the identical rates as quoted by others, which could not be a mere coincidence.

In view of the foregoing, the Commission is of the view that the Opposite Parties have contravened the provisions of Section 3 (1) read with Section 3 (3) (d) of the Act. Further, as noted by the Hon’ble Supreme Court in Excel Crop Care Limited (supra), quoting of identical prices in tenders is a strong evidence of bid-rigging and the same cannot be taken as a mere coincidence unless a plausible explanation is given in a clear and cogent manner.

On a holistic consideration of all these factors along with identical pricing despite different cost structures, apparently last minute filling of price bids; existence of earlier financial dealings amongst the OPs as well as identical price quotes even in previous tenders floated by the Informant, the Commission has no hesitation whatsoever but to conclude that quoting of identical prices by OP-1, OP-2 and OP-4 are not a mere co-incidence but the result of clear understanding amongst OP-1, OP-2, OP-3 and OP-4 to fix prices in the tenders floated by the Informant, resulting in rigging the bids in the impugned tenders for sand transportation.

Since the agreement amongst OP-1 to OP-4 stands established, the statutory presumption of appreciable adverse effect on competition automatically follows. The Commission notes that the Hon’ble Supreme Court in Excel Crop (supra) has held that agreements mentioned in Section 3(3) of the Act, including bid-rigging, would be treated as ipso facto causing appreciable adverse effect on competition.

The Court further held that once an agreement amongst the bidders is established, heavy onus is on the bidders to justify the conduct. Thus, it is erroneous on the part of OP-2, OP-3 and OP-4 to argue that the DG has not taken any effort to establish appreciable adverse effect on competition resulting from the alleged agreement.

The Informant being a mining PSU has continuous requirement of
transportation services, which it procures through tendering process only. Under these circumstances, collusion to fix prices by rigging the bids in the tenders floated by the Informant most definitely has an adverse impact on the price paid by the Informant for procuring such transportation services. Such conduct in public procurements besides defeating the tendering process also has an adverse impact on the process of competition resulting in deprivation of efficient outcomes that would have followed otherwise. Thus, bid-rigging in tenders floated by the Informant is a brazen defiance of the responsibility cast under the Act. In view of the above, the Commission finds the contentions of OP-1 to OP-4 concerning absence of appreciable adverse effect on competition misconceived and the same are thus, rejected. In relation to the above-discussed factors, OP-5 to OP-10 also advanced arguments/defences similar to those of OP-1 to OP-4, which have already been dealt with in the earlier section of this order.

On a holistic consideration of the these factors along with the quoting identical prices; having different cost structures; last minute filling of price schedule in the office of the Informant; existence of financial dealings amongst the OPs; identity of price quotes even in previous tenders floated by the Informant; and the efforts of CIMTA for upward revision of rates offered by the Informant, the Commission concludes that quoting of identical prices by OP-5, OP-7, OP-9 and OP-10 in Tender No. 3, not only for one job but for all five different jobs and by OP-5, OP-6 and OP-7 in Tender No. 4, for each of the three different jobs, up to the last decimal points is a result of clear consensus/understanding amongst OP-5 to OP-10.

The OPs and their respective office bearers are directed to cease and desist from indulging into practices, which are found to be in contravention of the provisions of Section 3 (3) (d) read with Section 3 (1) of the Act.

The Commission finds the present case fit for imposition of penalty. The Commission notes that the infringing anti-competitive conduct of the OPs is bid-rigging in the tenders floated by the Informant for transportation. Since the impugned conduct emanates from transportation services offered by the OPs, the relevant turnover for this infringement would be their revenue from the said services. Having dealt with the nature of contravention as well as the mitigating factors, the Commission proceeds to impose penalty on the OPs at the rate of 4% of its average relevant turnover for the last three financial years.

**LW 78:10:2017**

**INTERNATIONAL AIR TRANSPORT ASSOCIATION v. AIR CARGO AGENTS ASSOCIATION OF INDIA [CCI]**

Case No. 29 of 2017

Competition Act, 2002- implementation of cargo accounts settlement system (CASS) in India - OPs boycotted business with informant -whether results in boycott-Held, No.

**Brief facts:**

The Informant is stated to be an international non-profit trade association comprising of 265 member airlines belonging to 118 nations across the globe with its headquarters in Montreal, Canada. In India, the Informant is present through a wholly owned subsidiary i.e. IATA (India) Private Limited and a branch office in Mumbai. It is submitted that the role of the Informant is solely that of a facilitator for the aviation industry as a whole. Further, the airlines are not bound to become a member of the Informant and it is a voluntary decision on the part of the airlines to seek membership of the Informant.

It is alleged that the OPs are colluding and collectively boycott business with airlines that seek to implement Cargo Accounts Settlement System (“CASS”) in India. It is averred that the OPs are exerting undue influence on its member agents taking advantage of such position of power. The OPs actively encourage and pressurize the member cargo agents to collectively boycott airlines implementing CASS, despite the benefits of CASS being acknowledged universally. The OPs, in their attempt to defeat the implementation of CASS, are also persuading airlines to refrain from asking agents to join CASS in India. It is further alleged that the OPs are threatening to take action against airlines who seek to implement the same. The Informant has referred to certain emails and letters written by OP 1 to establish its allegations.

Based on the above facts and allegations, the Informant has inter alia prayed before the Commission to institute an inquiry against the OPs under Section 26(1) of the Act.

**Decision: Dismissed.**

**Reason:**

The Commission has carefully perused and considered the information and material available on record. The Commission notes that the Informant is aggrieved by the conduct of the OPs in allegedly trying to create disruptions in the implementation of CASS in India, through collective boycott and cartelization against the Informant and its constituent members. It is alleged that such conduct of taking a decision to boycott those airlines that introduce CASS, results in limiting the provision of services of air transport cargo in India in violation of Section 3(3) (b) of the Act.

The Commission notes that an independent decision by an enterprise to offer or not to offer services at prevailing conditions does not raise antitrust concerns per se. However, an agreement among competitors not to offer services at prevailing conditions will raise antitrust concerns.

The Commission also notes that the Informant has not produced any evidence to establish that OP 1 has taken coercive action against any of its members who have agreed to participate in the CASS implementation. The Commission observes that though three members of OP 1 wrote similar letters to the airlines but the Informant has not provided any additional evidence to prima facie establish that this is a result of any concerted action on their part. The only additional evidence, which may be considered in this regard, is the emails written by OP 1 to its members circulating the draft letter. However, as already stated, the said emails are only recommendatory in nature and there is no direction from OP 1 to its member agents to mandatorily write to the airlines. Thus, it appears that OP 1 is not forcing its member agents to send the emails but has left the decision to the free will of the member agents. On the basis of available documents, it cannot be concluded that the letters written by member cargo agents of OP 1 was the result of a collective decision.

In the instant case, the Informant has not provided any data which shows the negative impact on the business of the member airlines of the Informant which can be attributed to the activities of the OPs. This is despite the fact that the alleged conduct happened in 2014 while the information has been filed in 2017.

The Commission notes that the Informant has failed to furnish any material that could prima facie suggest an agreement amongst the OPs, in contravention of Section 3(3) (b) read with Section 3(1) of the Act. The Commission, therefore, is of the view that no prima facie case of contravention of the provisions of Section 3 of the Act is made out against the OPs. Accordingly, the matter is ordered to be closed in terms of the provisions of Section 26(2) of the Act.
The Board: Emerging Issues of Corporate Governance & Sustainability Challenges

CONFERENCE HIGHLIGHTS

- Three days of information packed sessions
- Top technical speakers loaded with professional experience
- Business case study presentations by the top companies on Corporate Governance & Sustainability
- Presentation of Golden Peacock Awards
- Network with leaders and experts from business, government and policy makers
- Special Session on Global Business Meet at House of Lords (UK Parliament)

CONFERENCE TOPICS

- Corporate Governance at Crossroads: Global trends & perspectives
- Boardroom Strategies for Managing Risk and Preventing Frauds
- The Dynamics of the Board- Stakeholder Relationship: An Evolutionary Perspective
- Building better Boards
- The Spotlight on Boards 2017: Challenges of Today & Tomorrow
- Strategizing Sustainability : Lessons learned & Way Forward Sustainability Case studies
- Board’s Sustainability Challenges
- The Business Case for Good Corporate Governance: Corporate Governance Case Studies

Special Fee for ICSI MEMBERS
Rs 30,000
( including GST )

Also get 10 Program Credit Hours

Limited Seats
Register Today
www.iodglobal.com
EXEMPTIONS GIVEN TO CERTAIN UNLISTED PUBLIC COMPANIES UNDER THE COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) RULES, 2014 FROM THE APPOINTMENT OF INDEPENDENT DIRECTORS - REG.

OBLIGATION TO COMPLY WITH THE INDIAN ACCOUNTING STANDARDS (IND-AS) AND RULE 4 OF COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES, 2015 - PAYMENT BANKS, SMALL FINANCE BANKS WHICH ARE SUBSIDIARIES OF CORPORATES - REG.

DELEGATION OF POWERS TO RDs

NATIONAL ADVISORY COMMITTEE ON ACCOUNTING STANDARDS - AMENDMENTS

DESIGNATION OF SPECIAL COURT

CYBER SECURITY AND CYBER RESILIENCE FRAMEWORK FOR REGISTRARS TO AN ISSUE/ SHARE TRANSFER AGENTS (HEREINAFTER REFERRED TO AS RTAS)

OUTSOURCING OF ACTIVITIES BY STOCK EXCHANGES AND CLEARING CORPORATIONS

CLARIFICATION ON EXCHANGE TRADED CROSS CURRENCY DERIVATIVES CONTRACTS ON EUR-USD, GBP-USD AND USD-JPY CURRENCY PAIRS

INTEGRATION OF BROKING ACTIVITIES IN EQUITY MARKETS AND COMMODITY DERIVATIVES MARKETS UNDER SINGLE ENTITY.

CLARIFICATION TO SEBI (IFSC) GUIDELINES, 2015 - LIQUIDITY ENHANCEMENT SCHEME (LES) CIRCULAR

SCHEMES OF ARRANGEMENT BY LISTED ENTITIES AND (II) RELAXATION UNDER SUB-RULE (7) OF RULE 19 OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957
**Exemptions given to certain unlisted public companies under the Companies (Appointment and Qualification of Directors) Rules, 2014 from the appointment of independent directors - reg.**

[Issued by the Ministry of Corporate Affairs vide [No. 1/22/2013-CL-V] General Circular No. 9/2017 dated 05.09.2017.]

1. This Ministry, vide notification number G.S.R. 839(E) dated 5th July, 2017 issued the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 *inter alia* amending rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The said amended Rule 4 *inter alia* provides that an unlisted public company which is a joint venture, a wholly owned subsidiary or a dormant company will not be required to appoint Independent Directors. Stakeholders have sought clarifications with regard to the meaning of joint venture for the purposes of availing exemption under Rule 4 of the aforesaid Rules as such a term is not defined in the Companies Act 2013.

2. The matter has been examined and it is hereby clarified that a “Joint venture,” would mean a joint arrangement, entered into in writing, whereby the parties that have joint control of the arrangement, have rights to the net assets of the arrangement. The usage of the term is similar to that under the Accounting Standards.

3. This issues with the approval of Competent Authority.

**Obligation to comply with the Indian Accounting Standards (Ind AS) and Rule 4 of Companies (Indian Accounting Standards) Rules, 2015- Payment Banks, Small Finance Banks which are subsidiaries of Corporates - reg.**

[Issued by the Ministry of Corporate Affairs vide [E No. 01/01/2009-CL-V] General Circular No. 10/2017 dated 13.09.2017.]

1. This Ministry vide notification no. GSR 365 (E), dated 30.03.2016 notified Companies (Indian Accounting Standards) Amendment Rules, 2016 *inter alia* amending Companies (Indian Accounting Standards) Rules, 2015. Some stakeholders have sought clarifications with regard to implementation of Ind AS wherein the holding company has Payment Banks or Small Finance Banks as its subsidiaries.

2. The matter has been examined and it is hereby clarified that the holding company if it is covered by the corporate sector roadmap for implementation of Ind AS, shall follow the corporate sector roadmap and if the company has got payment bank or small finance bank as its subsidiary then subsidiary company shall follow the banking sector roadmap prescribed vide RBI circular DBR.BP.BC. No.76/21.07.001/2015-16 dated 11th February, 2016 on “Implementation of Indian Accounting Standards (Ind AS)” read with circular DBR.NBD.No.25/16.13.218/2016-17 dated 6th October, 2016 on “Operating Guidelines for Payments Banks”. However, the Payment Banks or Small Finance Banks shall provide the Ind AS financial data to its holding company for the purpose of consolidation.

3. This issues with the approval of competent authority.

**Delegation of powers to RDs**

[Issued by the Ministry of Corporate Affairs vide [E No. 01/06/2014-CL-V] dated 06.09.2017. To be published in the Gazette of India, Extraordinary, Part-II, Section(3) Sub-section(ii)]

1. In exercise of the powers conferred by section 458 of the Companies Act, 2013(18 of 2013), the Central Government hereby delegates to the Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad and Shillong, the powers and functions vested in it under sub section(2) of section 66 of the said Act, subject to the condition that the Central Government may revoke such delegation of powers or may powers or may itself exercise the powers under the said sub-section, if in its opinion such a course of action is necessary in the Public interest.

2. This notification shall come into force with effect from the date of its publication in the Official Gazette.

**National Advisory Committee on Accounting Standards - Amendments**

[Issued by the Ministry of Corporate Affairs vide [E No. 1/05/2001 CL-V (Part VI)] dated 20.09.2017. To be published in the Gazette of India, Extraordinary, Part-II, Section(3) Sub-section(ii)]

1. In exercise of the powers conferred by sub-section (1) of section 210A of the Companies Act, 1956, (1 of 1956), the Central Government hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Corporate Affairs, number S.O. 3118 (E), dated the 3rd October, 2016, published in the Gazette...
2. In the said notification,-

(i) in paragraph 1, for serial number 2 and the entries relating thereto, the following serial number and the entries shall be substituted, namely:-

| (2) | Shri Sanjay Gupta, President, Nominee of the Institute of Cost Accountants of India | Member, nominated under clause (b) of subsection (2) of section 210A of the said Act. |

(ii) in paragraph 2, for the words “one year” the words “two years” shall be substituted.

AMARDEEP SINGH BHATIA  
Joint Secretary

Designation of Special Court

[Issued by the Ministry of Corporate Affairs vide [F. No. 01/12/2009-CL-I (Vol. IV)] dated 31.08.2017.]

1. In exercise of the powers conferred by sub-section (1) of section 435 of the Companies Act, 2013 (18 of 2013), the Central Government, with the concurrence of the Chief Justice of the High Court of Judicature at Patna, hereby designates the following Court mentioned in column (1) the Table below as Special Court for the purposes of providing speedy trial of offences punishable with imprisonment of two years or more under the said sub-section, namely:-

<table>
<thead>
<tr>
<th>Court</th>
<th>Jurisdiction as Special Court</th>
</tr>
</thead>
<tbody>
<tr>
<td>Court of Additional District and Sessions Judge, Patna</td>
<td>State of Bihar</td>
</tr>
</tbody>
</table>

AMARDEEP SINGH BHATIA  
Joint Secretary

Cyber Security and Cyber Resilience framework for Registrars to an Issue/Share Transfer Agents (hereinafter referred to as RTAs)

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/MIRSD/CIR/P/2017/0000000100 dated 08.09.2017.]

Rapid technological developments in securities market have highlighted the need for maintaining robust cyber security and cyber resilience framework to protect the integrity of data and guard against breaches of privacy. A robust cyber security and cyber resilience framework should identify the plausible sources of operational risk, both internal and external, and mitigate the impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of its obligation in the event of cyber attack.

Since RTAs perform important functions in providing services to holders of securities, it is desirable that RTAs have robust cyber security and cyber resilience framework in order to provide essential facilities and perform systemically critical functions relating to securities market.

In view of the above, SEBI’s High Powered Steering Committee - Cyber Security engaged in detailed discussions and decided that the framework prescribed vide SEBI circular CIR/MRD/DP13/2015 dated July 06, 2015 on cyber security and cyber resilience framework be broadly made applicable for large RTAs. Accordingly, the provisions of this circular are applicable only for RTAs servicing more than 2 crore folios (hereinafter referred to as “Qualified RTAs” or “QRTAs”). The framework placed at Annexure A, would be required to be complied by the QRTAs with regard to cyber security and cyber resilience. QRTAs are directed to take necessary steps to put in place systems for implementation of this circular, by December 01, 2017.

This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

DEBASHIS BANDYOPADHYAY  
General Manager

Annexure A

1. Cyber attacks and threats attempt to compromise the Confidentiality, Integrity and Availability (CIA) of the computer systems, networks and databases (Confidentiality refers to limiting access of systems and information to authorized users, Integrity is the assurance that the information is reliable and accurate, and Availability refers to guarantee of reliable access to the systems and information by authorized users). Cyber security framework includes measures, tools and processes that are intended to prevent cyber attacks and improve cyber resilience. Cyber Resilience is an organisation’s ability to prepare and respond to a cyber attack and to continue operation during, and recover from, a cyber attack.

Governance

2. As part of the operational risk management framework to manage risk to systems, networks and databases from cyber attacks and threats, QRTAs should formulate a comprehensive cyber security and cyber resilience policy document encompassing the framework mentioned hereunder. The policy document should be approved by the Board of QRTAs, and in case of deviations from the suggested framework, reasons for such deviations should also be provided in the policy document. The policy document should be reviewed by the Board of QRTAs at least annually with the view to strengthen and improve its cyber security and cyber resilience framework.

3. The cyber security and cyber resilience policy should include...
the following process to identify, assess, and manage cyber security risk associated with processes, information, networks and systems;

a. ‘Identify’ critical IT assets and risks associated with such assets,
b. ‘Protect’ assets by deploying suitable controls, tools and measures,
c. ‘Detect’ incidents, anomalies and attacks through appropriate monitoring tools/processes,
d. ‘Respond’ by taking immediate steps after identification of the incident, anomaly or attack,
e. ‘Recover’ from incident through incident management, disaster recovery and business continuity framework.

4. The Cyber security policy should encompass the principles prescribed by National Critical Information Infrastructure Protection Centre (NCIIPC) of National Technical Research Organisation (NTRO), Government of India, in the report titled ‘Guidelines for Protection of National Critical Information Infrastructure’ and subsequent revisions, if any, from time to time.

5. QRTAs should also incorporate best practices from standards such as ISO 27001, ISO 27002, COBIT 5, etc., or their subsequent revisions, if any, from time to time.

6. QRTAs should designate a senior official as Chief Information Security Officer (CISO) whose function would be to assess, identify and reduce cyber security risks, respond to incidents, establish appropriate standards and controls, and direct the establishment and implementation of processes and procedures as per the cyber security and resilience policy approved by the Board of the QRTAs.

7. The Board of the QRTAs shall constitute a Technology Committee comprising experts proficient in technology. This Technology Committee should on a quarterly basis review the implementation of the cyber security and cyber resilience policy approved by their Board, and such review should include review of their current IT and cyber security and cyber resilience capabilities, set goals for a target level of cyber resilience, and establish a plan to improve and strengthen cyber security and cyber resilience. The review shall be placed before the Board of the QRTAs for appropriate action.

8. QRTAs should establish a reporting procedure to facilitate communication of unusual activities and events to CISO or to the senior management in a timely manner.

9. The aforementioned committee and the senior management of the QRTAs, including the CISO, should periodically review instances of cyber attacks, if any, domestically and globally, and take steps to strengthen cyber security and cyber resilience framework.

10. QRTAs should define responsibilities of its employees, outsourced staff, and employees of vendors, members or participants and other entities, who may have access or use systems / networks of QRTA’s, towards ensuring the goal of cyber security.

Identify

11. QRTAs should identify critical assets based on their sensitivity and criticality for business operations, services and data management. To this end, QRTAs should maintain up-to-date inventory of its hardware and systems, software and information assets (internal and external), details of its network resources, connections to its network and data flows.

12. QRTAs should accordingly identify cyber risks (threats and vulnerabilities) that it may face, alongwith the likelihood of such threats and impact on the business and thereby, deploy controls commensurate to the criticality.

13. QRTAs should also encourage its third-party providers, if any, to have similar standards of Information Security.

Protection

Access Controls

14. No person by virtue of rank or position should have any intrinsic right to access confidential data, applications, system resources or facilities.

15. Any access to QRTA’s systems, applications, networks, databases, etc., should be for a defined purpose and for a defined period. QRTAs should grant access to IT systems, applications, databases and networks on a need-to-use basis and based on the principle of least privilege. Such access should be for the period when the access is required and should be authorized using strong authentication mechanisms.

16. QRTAs should implement strong password controls for user’s access to systems, applications, networks and databases. Password controls should include a change of password upon first log-on, minimum password length and history, password complexity as well as maximum validity period. The user credential data should be stored using strong and latest hashing algorithms.

17. QRTAs should ensure that records of user access are uniquely identified and logged for audit and review purposes. Such logs should be maintained and stored in encrypted form for a time period not less than two (2) years.

18. QRTAs should deploy additional controls and security measures to supervise staff with elevated system access entitlements (such as admin or privileged users). Such controls and measures should inter-alia include restricting the number of privileged users, periodic review of privileged user’s activities, disallow privileged users from accessing systems logs in which their activities are being captured, strong controls over remote access by privileged users, etc.

19. Account access lock policies after failure attempts should be implemented for all accounts.

20. Employees and outsourced staff such as employees of vendors or service providers, who may be given authorised access to the QRTA’s critical systems, networks and other computer resources, should be subject to stringent supervision, monitoring and access restrictions.

21. Two-factor authentication at log-in should be implemented
for all users that connect using online/internet facility.

22. QRTAs should formulate an Internet access policy to monitor and regulate the use of internet and internet based services such as social media sites, cloud-based internet storage sites, etc.

23. Proper "end of life" mechanism should be adopted to deactivate access privileges of users who are leaving the organization or whose access privileges have been withdrawn.

**Physical security**

24. Physical access to the critical systems should be restricted to minimum. Physical access of outsourced staff/visitors should be properly supervised by ensuring at the minimum that outsourced staff/visitors are accompanied at all times by authorised employees.

25. Physical access to the critical systems should be revoked immediately if the same is no longer required.

26. QRTAs should ensure that the perimeter of the critical equipments room are physically secured and monitored by employing physical, human and procedural controls such as the use of security guards, CCTVs, card access systems, mantraps, bollards, etc. where appropriate.

**Network Security Management**

27. QRTAs should establish baseline standards to facilitate consistent application of security configurations to operating systems, databases, network devices and enterprise mobile devices within the IT environment. The QRTAs should conduct regular enforcement checks to ensure that the baseline standards are applied uniformly.

28. QRTAs should install network security devices, such as firewalls as well as intrusion detection and prevention systems, to protect their IT infrastructure from security exposures originating from internal and external sources.

29. Anti-virus software should be installed on servers and other computer systems. Updation of anti-virus definition files and automatic anti-virus scanning should be done on a regular basis.

**Security of Data**

30. Data-in motion and Data-at-rest should be in encrypted form by using strong encryption methods such as Advanced Encryption Standard (AES), RSA, SHA-2, etc.

31. QRTAs should implement measures to prevent unauthorised access or copying or transmission of data / information held in contractual or fiduciary capacity. It should be ensured that confidentiality of information is not compromised during the process of exchanging and transferring information with external parties.

32. The information security policy should also cover use of devices such as mobile phone, faxes, photocopiers, scanners, etc. that can be used for capturing and transmission of data.

33. QRTAs should allow only authorized data storage devices through appropriate validation processes.

**Hardening of Hardware and Software**

34. Only a hardened and vetted hardware / software should be deployed by the QRTAs. During the hardening process, QRTAs should inter-alia ensure that default passwords are replaced with strong passwords and all unnecessary services are removed or disabled in equipments / software.

35. All open ports which are not in use or can potentially be used for exploitation of data should be blocked. Other open ports should be monitored and appropriate measures should be taken to secure the ports.

**Application Security and Testing**

36. QRTAs should ensure that regression testing is undertaken before new or modified system is implemented. The scope of tests should cover business logic, security controls and system performance under various stress-load scenarios and recovery conditions.

**Patch Management**

37. QRTAs should establish and ensure that the patch management procedures include the identification, categorisation and prioritisation of security patches. An implementation timeframe for each category of security patches should be established to implement security patches in a timely manner.

38. QRTAs should perform rigorous testing of security patches before deployment into the production environment so as to ensure that the application of patches do not impact other systems.

**Disposal of systems and storage devices**

39. QRTAs should frame suitable policy for disposals of the storage media and systems. The data / information on such devices and systems should be removed by using methods viz. wiping / cleaning / overwrite, degauss and physical destruction, as applicable.

**Vulnerability Assessment and Penetration Testing (VAPT)**

40. QRTAs should regularly conduct vulnerability assessment to detect security vulnerabilities in the IT environment. QRTAs should also carry out periodic penetration tests, atleast once in a year, in order to conduct an in-depth evaluation of the security posture of the system through simulations of actual attacks on its systems and networks.

41. Remedial actions should be immediately taken to address gaps that are identified during vulnerability assessment and penetration testing.

42. In addition, QRTAs should perform vulnerability scanning and conduct penetration testing prior to the commissioning of a new system which offers internet accessibility and open network interfaces.

**Monitoring and Detection**

43. QRTAs should establish appropriate security monitoring systems and processes to facilitate continuous monitoring of security events and timely detection of unauthorised or malicious activities, unauthorised changes, unauthorised
access and unauthorised copying or transmission of data / information held in contractual or fiduciary capacity, by internal and external parties. The security logs of systems, applications and network devices should also be monitored for anomalies.

44. Further, to ensure high resilience, high availability and timely detection of attacks on systems and networks, QRTAs should implement suitable mechanism to monitor capacity utilization of its critical systems and networks.

45. Suitable alerts should be generated in the event of detection of unauthorized or abnormal system activities, transmission errors or unusual online transactions.

Response and Recovery

46. Alerts generated from monitoring and detection systems should be suitably investigated, including impact and forensic analysis of such alerts, in order to determine activities that are to be performed to prevent expansion of such incident of cyber attack or breach, mitigate its effect and eradicate the incident.

47. The response and recovery plan of the QRTAs should aim at timely restoration of systems affected by incidents of cyber attacks or breaches. QRTAs should have the same Recovery Time Objective (RTO) and Recovery Point Objective (RPO) as specified by SEBI for Market Infrastructure Institutions vide SEBI circular CIR/MRD/DMS/17/20 dated June 22, 2012 as amended from time to time.

48. The response plan should define responsibilities and actions to be performed by its employees and support / outsourced staff in the event of cyber attacks or breach of cyber security mechanism.

49. Any incident of loss or destruction of data or systems should be thoroughly analyzed and lessons learned from such incidents should be incorporated to strengthen the security mechanism and improve recovery planning and processes.

50. QRTAs should also conduct suitable periodic drills to test the adequacy and effectiveness of response and recovery plan.

Sharing of information

51. Quarterly reports containing information on cyber attacks and threats experienced by QRTAs and measures taken to mitigate vulnerabilities, threats and attacks including information on bugs / vulnerabilities / threats that may be useful for other QRTAs should be submitted to SEBI in soft copy to rta@sebi.gov.in

52. Such details as are felt useful for sharing with other QRTAs in masked and anonymous manner shall be shared using mechanism to be specified by SEBI from time to time.

Training

53. QRTAs should conduct periodic training programs to enhance awareness level among the employees and outsourced staff, vendors, etc. on IT / Cyber security policy and standards. Special focus should be given to build awareness levels and skills of staff from non-technical disciplines.

54. The training program should be reviewed and updated to ensure that the contents of the program remain current and relevant.

Periodic Audit

55. QRTAs shall arrange to have its systems audited on an annual basis by an independent CISA/CISM qualified or equivalent auditor to check compliance with the above areas and shall submit the report to SEBI along with the comments of the Board of QRTAs within three months of the end of the financial year.

07 Outsourcing of activities by Stock Exchanges and Clearing Corporations

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/MRD/DP/CIR/P/2017/101 dated 13.09.2017.]

1. SEBI has vide circular CIR/MIRSD/24/2011 dated December 15, 2011 prescribed Guidelines on Outsourcing of Activities by Intermediaries. Through these guidelines certain principles for outsourcing to be followed by all the intermediaries registered with SEBI were laid down. Further, based on the recommendations of the Depository System Review Committee (DSRC), vide circular dated December 09, 2015, guidelines were also laid down for governing the outsourcing of activities by the Depositories.

2. It is also observed that the stock exchanges and clearing corporations avail the services of third party service providers / outsourced agencies to perform certain processes, services or activities.

3. In this regard stock exchanges and clearing corporations are advised to formulate and document an outsourcing policy duly approved by their Board based on the guidelines placed at Annexure I.

4. Stock Exchanges and clearing corporations are also directed to take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules, etc., if any, within six months from the date of the circular. Stock exchanges and clearing corporations are also advised to disseminate the provisions of this circular on their website.

5. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

SUSANTA KUMAR DAS
Deputy General Manager
Annexure I

1. Definition
Outsourcing is an arrangement whereby an entity engages a third party (the service provider / outsourced agency) to provide a service that may already or may conceivably be performed by the entity itself.

2. Material Outsourcing
The stock exchanges and clearing corporations shall develop a process for determining the materiality of outsourcing arrangements with emphasis on the potential impact on the market, including where the service provider / outsourced agency fails to perform.

3. Core and Critical activities of Stock Exchanges and Clearing Corporations
3.1. The core and critical activities of stock exchanges and clearing corporations shall not be outsourced. However, stock exchanges and clearing corporations may outsource activities to associate or group companies / entities of the exchange, provided there is a clear demarcation of activities with clear arms-length relationship.

3.2. Further, services rendered by any intermediary registered with SEBI (for eg. custodians, depositories, etc.) shall not be covered under these guidelines.

3.3. The core and Critical activities of the stock exchanges shall include but may not be limited to the following:
(a) Provision and daily operation of trading facilities;
(b) Management of the market functioning, including market surveillance and monitoring like online surveillance, investigation, inspection, price band relaxation, etc.;
(c) Enforcement of exchange rules/self-regulation;
(d) Trading information disclosure excluding data feed distribution to third party vendors;
(e) Core IT support infrastructure / activities for running the core activities of exchanges;
(f) Admission of trading member to exchange;
(g) Admission to securities to trading on the exchange;
(h) Monitoring and redressal of investor grievances;
(i) Maintenance and safe keeping of trade related data;
(j) Inspection of the members of the exchange;
(k) Compliance functions.

3.4. The core and critical activities of the clearing corporations shall include but may not be limited to the following:
(a) Post trade activities and services such as clearing and settlement and risk management inter-alia including pay-in and pay-out of funds and securities, margin blocking, margin reporting, collateral management (including addition, release, maintenance), capital adequacy, stress testing;
(b) Enforcement of clearing corporation rules/self-regulation;
(c) Admission of clearing members;
(d) Monitoring and redressal of grievances;
(e) Maintenance and safe keeping of trade related data pertaining to clearing and settlement;
(f) Inspection of the members of the clearing corporation;
(g) Compliance functions;
(h) Core and Critical IT support infrastructure / activities for running the core activities of clearing corporations (however, where the infrastructure is being shared with the group / associate company / entity, the same shall be allowed with the pre-condition of having a clear demarcation of infrastructure between the parties involved. Access control and responsibility would need to remain with the Clearing Corporations)

3.5. Certain Core activities may be outsourced to specialist vendors who are experts in their field (eg. IT services / Network services / IT Security etc.). However, in all such cases, the responsibility and control shall wholly vests with the exchanges and clearing corporations. Further, in case the Trading and / or Clearing software is purchased from a vendor, then there must be an arrangement to keep the source code in escrow, such that in case of any issue with the vendor, the software can be taken out of escrow and used to continue the business.

4. Selection of Service Providers / Outsourced agencies and Due Diligence
4.1. The service provider / Outsourcing agency shall be subjected to appropriate due diligence to assess its capability to employ a high standard of care in performing the service and comply with its obligations under the outsourcing agreement. The due diligence should take into consideration qualitative and quantitative, financial, operational and reputation factors of the service provider / Outsourcing agency.

4.2. The exchanges and clearing corporations shall ensure that entities having proven high delivery standards or expertise in the field, are selected after a proper due-diligence process which may include parameters like track record, delivery standard, unique selling proposition, service standards.

4.3. Due diligence undertaken during the selection process should be documented and re-performed periodically as part of the monitoring and control processes of outsourcing.

5. Legal Accountability
5.1. Stock Exchange and clearing corporations shall ensure that there is a legally binding written contract with the service provider / Outsourcing agency

5.2. Stock Exchange and clearing corporation shall ensure that the outsourcing arrangement does not in any way diminish its obligations and those of its board and senior management, to comply with relevant laws and regulations, guidelines and other directions.

5.3. The board and senior management of the stock exchange and clearing corporation shall retain ultimate responsibility for the effective management of risks
6. **Sub-contracting**

6.1. Stock exchanges and clearing corporations shall ensure that outsourced activities are further outsourced downstream only with the prior consent of the exchange and clearing corporation and with appropriate safeguards including proper legal documentation/agreement.

6.2. Stock exchange and clearing corporations shall also consider the ability of the sub-contractor to perform the services as a part of the due diligence process.

7. **Contract with Service Provider / Outsourcing agency**

7.1. Contractual terms and conditions governing relationships, functions, obligations and responsibilities of the contracting parties, potential conflict of interests should be carefully and properly defined in written agreements.

7.2. Every outsourcing agreement should address the risks and risk mitigation strategies identified at the risk evaluation and due diligence stages. Each agreement should allow for renegotiation and renewal to enable the exchange to retain an appropriate level of control over the outsourcing and the right to intervene with appropriate measures to meet its legal and regulatory obligations.

7.3. The agreement should provide for a dispute resolution mechanism, inter-alia specifying the resolution process, events of default, and the indemnities, remedies and recourse of the respective parties in the agreements.

8. **Monitoring of Service Provider’s / Outsourcing agency’s Performance**

8.1. Stock exchanges and clearing corporations shall maintain the capability and appropriate level of monitoring and control over outsourcing agencies, in order to be able to maintain continuity of business, even in the event of disruption or unexpected termination of the service.

8.2. Stock exchange and clearing corporation should evaluate its aggregate exposure to a particular service provider / outsourced agency in cases where the institution outsources various functions to the same service provider / outsourced agency.

8.3. Stock exchange and clearing corporation shall undertake periodic reviews of its outsourcing arrangements to identify new material outsourcing risks as they arise and analyze the impact of the arrangement on its overall risk profile and whether there are adequate internal expertise and resources to mitigate the risks identified.

9. **Business Continuity at the Service Provider**

9.1. Stock exchanges and clearing corporations should take appropriate measures to determine that its service providers / Outsourcing agencies establish and maintain emergency procedures and a plan for business continuity / disaster recovery, with periodic testing of backup facilities.

10. **Security and Confidentiality of Information**

10.1. Stock exchanges and clearing corporations should have adequate procedures in place that require the service provider / Outsourcing agency to protect exchange’s proprietary, member-related and potentially market sensitive information and software from unauthorized usage.

11. **Termination Procedures**

11.1. Stock exchanges and clearing corporations should include contractual provisions relating to the termination of the contract and appropriate exit strategies inter-alia specifying events that may trigger termination of the service contract, what will occur on termination and strategies for managing the transfer of the activity back to the stock exchange and clearing corporation or to another party.

12. **Access to Information and other records**

12.1. The outsourcing arrangement should provide for the access by the regulatory authority of the records of service providers / Outsourcing agencies and other information relating to the activities that are relevant to regulatory oversight.

13. **Audit**

13.1. The outsourcing policy document shall act as a reference for audit of the outsourced activities. Audit of implementation of risk assessment and mitigation measures listed in the outsourcing policy document and outsourcing agreement / service level agreements pertaining to IT systems shall be part of System Audit of Stock Exchanges and Clearing Corporations.

---

**Clarification on Exchange Traded Cross Currency Derivatives contracts on EUR-USD, GBP-USD and USD-JPY currency pairs**

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/MD/DP/CIR/P/2017/102 dated 13.09.2017.]

1. SEBI vide circular SEBI/HO/MD/CP/CIR/P/2016/38 dated March 9, 2016 laid down the detailed framework for introduction of cross-currency futures and option contracts in the EUR-USD, GBP-USD and USD-JPY currency pairs and introduction of currency option contracts in EUR-INR, GBP-INR and JPY-INR currency pairs. The said framework *inter-alia* specified the requirement of monitoring of synthetic positions created using combination of currency derivatives contracts (FCY-INR) and cross currency derivatives contracts (FCY-FCY).

2. It has been decided to modify para 6 of SEBI circular dated March 09, 2016 as under:
   (a) The Stock Brokers (bank and non-bank) shall ensure that all proprietary positions created in FCY-INR pairs (USD-INR, EUR-INR, GBP-INR and JPY-INR) is within the following consolidated position limits:

2. Through these amendments, restriction on stock brokers dealing in securities (other than commodity derivatives) to deal in commodity derivatives has been done away with. Similarly, restriction on stock brokers dealing in commodity derivatives to deal in other securities has also been done away with. Therefore, post these amendments, a stock broker can deal in commodity derivatives and other securities under a single entity, thereby facilitating ease of doing business.

3. As per the existing procedure under single registration mechanism, a one-time certificate of registration as stock broker / clearing member shall be granted by SEBI and subsequent permissions to act as a stock broker / clearing member of other stock exchanges / clearing corporations, shall be granted by the respective stock exchange / clearing corporation after proper due diligence.

4. In terms of SEBI Circular Nos. CIR/MIRSD/2/2011 dated June 03, 2011 and CIR/MIRSD/14/2011 dated August 02, 2011, prior approval from SEBI will be required to be obtained by the stock broker only in cases where integration leads to change in control of the stock broker / clearing member.

5. Further, to facilitate integration between stock brokers, it is clarified that client account may be transferred from one stock broker to the other stock broker, by taking the express consent of the client through a verifiable mode of communication and thereby continuing with the existing set of documentation in respect of broker client relationship.

6. Para 6 of the SEBI Circular No. CIR/MIRSD/4/2015 dated September 29, 2015, issued to the Commodity derivative exchanges and their members, is extended to other stock exchanges and their members and shall be read as follows: “business in goods related to the underlying” and/or “business in connection with or incidental to or consequential to trades in commodity derivatives”, by a member of a stock exchange, would not be disqualified under Rule 8(1)(f) and Rule 8(3)(f) of the Securities Contract (Regulation) Rules, 1957.

7. In view of the above mentioned amendments carried out in SCRR and the Stock Broker Regulation, the FMC circulars which continued to be applicable to Commodity Derivative Market in terms of SEBI circular no. SEBI/HO/MIRSD/ MIRSD2/CIR/P/2016/92 dated September 23, 2016, shall be dealt as under:
   a. FMC Circulars No. No. IRD-IVD-II/FCR-II/2009 dated Dec 21, 2009, No. DIV-IVII/122/10/MR dated Jun 25, 2010 and 6/3/2008-MKT-II dated Feb 18, 2011, which restricted members of commodity derivative exchange or any other agent appointed by such members to have the words such as “Stock”, “Share” or “Security” in their names, shall stand repealed.

---

**Table:**

<table>
<thead>
<tr>
<th>Single INR limit for proprietary position for bank stock brokers</th>
<th>Single INR limit for proprietary position for non-bank stock brokers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher of 15% of Total OI across all FCY-INR pairs or USD 200 million.</td>
<td>Higher of 15% of Total OI across all FCY-INR pairs or USD 100 million.</td>
</tr>
</tbody>
</table>

(b) Stock exchanges, in consultation with each other, shall implement a uniform methodology for computing and monitoring of the aforementioned proprietary positions limits in INR.

(c) Further, the aforementioned positions limits are in addition to the requirement of monitoring of proprietary position limits prescribed vide SEBI circular CIR/MRD/DP/2014 dated June 20, 2014 and SEBI circular CIR/MRD/DP/30/2014 dated October 22, 2014.


4. Stock exchange / clearing corporation shall submit a proposal to SEBI for approval for the launch of the cross-currency derivatives product(s). Such proposal shall, inter-alia, include the details of contract specifications, risk management framework, surveillance systems, and other requirements specified in this circular and SEBI circular dated March 09, 2016.

5. Stock exchanges and Clearing corporations are directed to:
   (i) take necessary steps to put in place necessary systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;
   (ii) bring the provisions of this circular to the notice of the stock brokers and also disseminate the same on their website; and
   (iii) communicate to SEBI the status of implementation of the provisions of this circular.

6. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

SUSANTA KUMAR DAS
Deputy General Manager

---

**Integration of broking activities in Equity Markets and Commodity Derivatives Markets under single entity.**

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/104 dated 21.09.2017.]

1. Please find enclosed Government of India Gazette
b. Para 3 C) A. iv. of FMC Circular No. FMC/4/2011/G/30 Ref. No.: Div. III/I/89/07 dated December 16, 2011, which restricted seeking authorization through non-mandatory documents for any adjustment of funds among securities (stock) exchange and commodities exchange, will not be applicable, if such adjustment is within the same broking entity.

8. Stock exchanges / clearing corporations / depositories are directed to:
   a. take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;
   b. bring the provisions of this circular to the notice of their members and also disseminate the same on their websites;
   c. carry out necessary due diligence including taking information from the other stock exchanges / clearing corporations where the applicant is / was a member, as part of process of granting approval to the stock broker/ clearing member registered with SEBI to operate in that stock exchange/ clearing corporation or segment(s) thereof.

9. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of and to regulate the securities market.

D RAJESH KUMAR
General Manager

10 Clarification to SEBI (IFSC) Guidelines, 2015 - Liquidity Enhancement Scheme (LES) Circular


1. SEBI vide circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017 has granted exemption to stock exchanges at IFSC from complying with clauses 5.1 and 5.2 of SEBI circular dated April 23, 2014 subject to certain conditions.

2. Based on discussions held with the stakeholders, it is clarified that the exemption granted to stock exchanges at IFSC for the introduction of LES shall be applicable to all the products traded in IFSC.

3. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of and to regulate the securities market.

BITHIN MAHANTA
Deputy General Manager

11 Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957


2. Clause III (A)(1)(b) of Annexure I of the aforesaid circular provides that at least twenty five per cent of the post-scheme paid up share capital of the transferee entity seeking relaxation from Rule 19(2)(b) of SCRR shall comprise of shares allotted to the public shareholders in the transferor entity.

3. In order to align the requirements specified for listing under schemes of arrangement under Clause III (A)(1)(b) of Annexure I of the Circular with those specified under Rule 19(2)(b) of SCRR, it has been decided to amend Clause III (A)(1)(b) of Annexure I of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as under:
   “(b) At least twenty five per cent of the post-scheme paid up share capital of the transferee entity shall comprise of shares allotted to the public shareholders in the transferor entity;
   Provided that an entity which does not comply with the above requirement may satisfy the following conditions:
   i. The entity has a valuation in excess of Rs.1600 crore as per the valuation report;
   ii. The value of post-scheme shareholding of public shareholders of the listed entity in the transferee entity is not less than Rs.400 crore;
   iii. At least ten percent of the post-scheme paid up share capital of the transferee entity comprises of shares allotted to the public shareholders of the transferor entity; and,
   iv. The entity shall increase the public shareholding to at least 25% within a period of one year from the date of listing of its securities and an undertaking to this effect is incorporated in the scheme”

4. The Stock Exchanges are advised to bring the provisions of this circular to the notice of Listed Entities and also to disseminate the same on their websites.

5. This circular is issued under Section 11 of the SEBI Act, 1992 and Regulations 11, 37 and 94 read with Regulation 101(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 19(7) of Securities Contracts (Regulation) Rules, 1957.

6. This circular is available on SEBI website at www.sebi.gov.in under the category “Legal / Circulans”.

NARENDRA RAWAT
Deputy General Manager
NEWS FROM THE INSTITUTE

- MEMBERS RESTORED FROM 1/08/2017 TO 31/08/2017
- CERTIFICATE OF PRACTICE CANCELLED DURING THE MONTH OF AUGUST, 2017
- SUPPORT TO FOREIGN INVESTORS FOR SETTING UP BUSINESS IN INDIA
### Members Restored from 1/08/2017 to 31/08/2017

<table>
<thead>
<tr>
<th>SL. No</th>
<th>Name</th>
<th>Mem. No.</th>
<th>Mem. Name</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Manish Rakesh</td>
<td>29424</td>
<td>NIRC</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Amit Shekhar</td>
<td>21989</td>
<td>NIRC</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Darshil Sunil Janani</td>
<td>23366</td>
<td>F/WIRC</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Anuradha Raghavan</td>
<td>21130</td>
<td>SIRC</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Hemant Shrinivas Paiser</td>
<td>6513</td>
<td>WIRC</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Nital C. Gandhi</td>
<td>14589</td>
<td>WIRC</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Divya Kandoi</td>
<td>26920</td>
<td>SIRC</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Abhishek Pandey</td>
<td>43696</td>
<td>EIRC</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Rakesh Bhattacharya</td>
<td>19945</td>
<td>NIRC</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Radhakrishnan R</td>
<td>19712</td>
<td>EIRC</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Kabir Sharma</td>
<td>17746</td>
<td>NIRC</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Rakesh Kumar Kaushik</td>
<td>25217</td>
<td>NIRC</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Archana Chetan</td>
<td>25148</td>
<td>NIRC</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Shweta Agarwal</td>
<td>18235</td>
<td>NIRC</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Neera Dewan</td>
<td>7835</td>
<td>NIRC</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Dinesh Rawat</td>
<td>25071</td>
<td>NIRC</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Shrinivasasitharam Appikatla</td>
<td>21173</td>
<td>SIRC</td>
<td></td>
</tr>
</tbody>
</table>

### Certificate of Practice Cancelled during the Month of August, 2017

<table>
<thead>
<tr>
<th>SL. No</th>
<th>Name</th>
<th>Mem. No.</th>
<th>Mem. Name</th>
<th>COP No.</th>
<th>Regn</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ms. Vidya Sridharan</td>
<td>44354</td>
<td>ACS</td>
<td>16297</td>
<td>SIRC</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Hiren Kumar Popatbhai Vala</td>
<td>42685</td>
<td>ACS</td>
<td>16571</td>
<td>WIRC</td>
</tr>
<tr>
<td>3</td>
<td>Mr. P. T. Rangamani</td>
<td>470</td>
<td>FCS</td>
<td>2111</td>
<td>SIRC</td>
</tr>
<tr>
<td>4</td>
<td>Ms. Rakesh Bhattacharya</td>
<td>33989</td>
<td>ACS</td>
<td>13049</td>
<td>EIRC</td>
</tr>
<tr>
<td>5</td>
<td>Ms. Pooja Kamal Lahoty</td>
<td>27358</td>
<td>ACS</td>
<td>16465</td>
<td>WIRC</td>
</tr>
<tr>
<td>6</td>
<td>Mr. Ajay Kumar Chhabra</td>
<td>43650</td>
<td>ACS</td>
<td>18817</td>
<td>NIRC</td>
</tr>
<tr>
<td>7</td>
<td>Ms. Raveena Sharma</td>
<td>41175</td>
<td>ACS</td>
<td>15997</td>
<td>NIRC</td>
</tr>
<tr>
<td>8</td>
<td>Ms. Uma Kumari</td>
<td>43066</td>
<td>ACS</td>
<td>16096</td>
<td>NIRC</td>
</tr>
<tr>
<td>9</td>
<td>Ms. Neha Dewan</td>
<td>24010</td>
<td>ACS</td>
<td>17603</td>
<td>NIRC</td>
</tr>
<tr>
<td>10</td>
<td>Ms. Nupur Gupta</td>
<td>36454</td>
<td>ACS</td>
<td>17659</td>
<td>NIRC</td>
</tr>
<tr>
<td>11</td>
<td>Mr. Rajendra Manker</td>
<td>40536</td>
<td>ACS</td>
<td>15462</td>
<td>WIRC</td>
</tr>
<tr>
<td>12</td>
<td>Ms. Swati Sandeep Nivalkar</td>
<td>43815</td>
<td>ACS</td>
<td>16601</td>
<td>WIRC</td>
</tr>
<tr>
<td>13</td>
<td>Mr. Vishal Kumar Garg</td>
<td>34062</td>
<td>ACS</td>
<td>13089</td>
<td>SIRC</td>
</tr>
<tr>
<td>14</td>
<td>Mr. Laxman Tikamdas Vasandani</td>
<td>24051</td>
<td>ACS</td>
<td>17179</td>
<td>WIRC</td>
</tr>
<tr>
<td>15</td>
<td>Ms. Tanu Sharma</td>
<td>29676</td>
<td>ACS</td>
<td>11281</td>
<td>NIRC</td>
</tr>
<tr>
<td>16</td>
<td>Ms. Yamini Jain</td>
<td>41637</td>
<td>ACS</td>
<td>15841</td>
<td>EIRC</td>
</tr>
<tr>
<td>17</td>
<td>Ms. Rajshree Kakati</td>
<td>41637</td>
<td>ACS</td>
<td>15841</td>
<td>EIRC</td>
</tr>
</tbody>
</table>
Dear Professional Colleagues,

Sub. : Support to Foreign Investors for setting up business in India

The Institute is dedicated to the service of the Nation while establishing, promoting and sustaining the global parameters of governance at par. With this, Institute is persistently supporting the Government of India in its pursuits towards nation building. In line to our whole hearted support for “Vision New India”, the Institute shall be pleased to extend its association to persons/companies overseas with the guidance and facilitation on setting up business in India.

Taking forward this initiative, recently we met the officials of various Indian Overseas Mission (Ambassador/Consulate General etc.)

We are pleased to inform you that High Commission of India at Kenya and High Commission of India at Malaysia has placed the link of ICSI’s website along with ICSI logo at its website https://www.hcinaairobi.co.ke/ and https://www.indianhighcommission.com.my/respectively as mark to apprise the populace in respective countries with the ease and information on setting up business in India. Other Indian overseas mission also assured for placing of ICSI link at their website.

Regards,

CS (Dr.) Shyam Agrawal
President
News from the Institute

149

High Commission of India
Nairobi, Kenya

Home | About Us | Bilateral Relations | Consular Services | Media Center | E-Citizen/Tender | Visits
Useful Links | Contact Us

Festival of India in Kenya (Utsavi), Iti, concludes
with Bharatanatyam performance
Nov 29, 2016
READ MORE

Request for Technical and Commercial Bids for Supply of
Bio Control Equipment (OTC-142)

High Commission

Independence Day Celebrations in Nairobi

View All

© 2017 Content Owned by High Commission of India, Nairobi. (Disclaimer) All Rights Reserved
Copyright policy | Terms & Conditions | Privacy Policy | Hyperlinking Policy | Accessibility Option | Sitemap

Page last updated on: 15.3.2016
Powered by: Ardhhas Technology India Private Limited.
Leaders Run Diligent

More than 140,000 leaders across approximately 4,700 organisations in 70 countries use Diligent Boards™, making it the most successful and most popular board portal solution in the world.

Many of the world’s leading, most efficient and security-minded organisations run their board meetings on Diligent Boards, the world’s No. 1 board communication and collaboration tool.

Join the Leaders. Get Diligent.

FIND OUT MORE
▶ Singapore +65 3158 2545
▶ India +91 96869 02287
▶ info@diligent.com
▶ Malaysia +60 (3) 9212 1714
▶ Hong Kong +852 3018 4025
▶ diligent.com/ICSI
CORPORATE LEADERSHIP DEVELOPMENT PROGRAM (CLDP)

Embarking on a journey from Evolution of the Concept towards its Development

BACKDROP

Every small step towards a change starts with a new thought which stems from the continuous and rigorous stimulation received from external and internal environment of an organisation. There was a need to review the existing training structure provided by the institute, with an objective of making it more comprehensive to develop the core competency of the young members. The idea was incubated and approved by the council.

After several meetings and the feedback from the stakeholders it was discovered that training program has to be redesigned as per the emerging needs and expectations of the industries and corporate. Accordingly, the newly fanged course of Corporate Leadership Development Program (CLDP) was drafted and designed on the basis of quality suggestions and observations received from senior corporate professionals, members and related stakeholders of the institute with vast and rich experience. These inputs were highly valuable in understanding the contemporary demands of the corporate world. The motto of the newly designed training program was to develop the skill sets required to groom future corporate leaders, aligning with the honourable Prime Minister’s vision to make India the skill capital of the world. It was essential to provide participants with an interactive training platform which will result in developing a winning attitude to outshine in the corporate world.

Vision

‘Transforming Compliance professionals to future Corporate Leaders’

HOW DID WE ACHIEVE THE DESIRED VISION?

Launch of a Pilot program

The first ever 45 days pilot residential Corporate Leadership Development Program was launched by Hon’ble Justice Shri Dinesh Maheshwari, Chief Justice, High Court of Meghalaya, on June 24, 2017 at the 18th National Conference of Practising Company Secretaries, held at Shillong which was conceived as a step towards implementation of the proposed three months compulsory residential program for professional pass candidates. Though the concept of introducing three months residential training program was approved in the council and the council constituted a committee to finalize the modalities for implementing the Program. The committee decided that initially a program of a shorter duration to be introduced on pilot basis to study its effectiveness. The objective of introducing a pilot program of 45 days duration was to understand the challenges that may be faced in the effective delivery with respect to maintaining the quality of instruction and ensuring continuous involvement of the participants. Stakeholder feedback will determine the effective implementation of the program and the decision to appropriately redesign the program with proper duration. In the true sense, the effective planning and implementation of the pilot program will determine its future quality.

Need of a Residential Format

Introducing a residential CLDP program of 45 days duration with comprehensive syllabus was a revolutionary step taken by ICSI. This shows the commitment of ICSI towards the building of nation by offering high calibre professional and leaders to the Indian corporate world. After designing the course the first challenge was to make the participants understand the importance of the residential format in building their professional career and generating awareness amongst the prospective participants on the need for a residential program of this duration vis-à-vis the cost of the program. The second challenge was successful implementation of the program by fruitfully engaging the participants. However, despite these challenges, the residential nature of the program was highly appreciated by participants who came from different parts of the country and having a diverse cultural background. The participants have experienced emergence of a strong bonding amongst themselves which has resulted in development of supportive and positive team relationships.

Strategic Approach towards Prospective Participants

Embarking on the leadership role for registrations the team under the guidance of CS. Dinesh. C Arora- Secretary ICSI, took special efforts in positioning the course as a high end premium product to justify its cost in comparison to the existing MSOP fees with outcome. The admissions were open for students who completed their professional course and on successful completion of the program, participants were awarded a “Course Completion Certificate” in Corporate Leadership Development Program which also include MSOP certification to make them eligible to apply for ACS membership.

The team from the Dte. of Training and Placement lead by at Dr. S K Jena, Director- Training and Placement, have put rigorous efforts in generating awareness about the new program by webinar, tele-calling, addressing walk-ins and counselling for building acceptability of the program amongst the prospective participants since it was new and being implemented for the first time.

The value addition created through innovative training design generated awareness about the program and aroused a keen interest in professional pass students to join this program.

Inaugural Ceremony

The inaugural ceremony was held on Tuesday, 1st August, 2017 at ICSI Noida office, auditorium in the august presence of Chief Guest CS Preeti Malhotra Past President, ICSI and Partner & Executive Director, Smart Group, Guest of honour Dr. S Sivakumar, Member Law Commission of India, CS. (Dr.) Shyam Agrawal-President ICSI, CS. Dinesh. C. Arora, Secretary ICSI and attended by CLDP participants and other dignitaries and Head of the Departments at ICSI. Secretary-ICSI explicated on the design of the modules and its scheme of execution with the focus on application of innovative methodology during the sessions and introduced the concept of Master Blaster KMP Contest.
ICSI President CS. (Dr.) Shyam Agrawal, in his presidential address shared his vision about the program and deliberated on emergence of the concept of Corporate Governance in society with mention of Upanishads and Vedas, quoting Ramcharitmanas and enumerated the philosophy of Dharma. He defined the role of Company Secretary as assuring all fairness to all stakeholders. The Guest of honour on the occasion Dr. S Sivakumar, a full time member of Law Commission of India spoke on the need of continuing professional education for CS professionals and also appreciated the ICSI for this new initiative which will go a long way.

The Chief Guest for the occasion CS Preeti Malhotra, Past President, ICSI and Partner & Executive Director, Smart Group, in her inaugural address appreciated ICSI’s efforts towards grooming prospective members to take up challenging roles as KMP in organisations. She also highlighted the government’s plan of building compliance culture in NGO’s as a new and emerging area for CS professionals. This was followed by the signing of MOU between CS. Dinesh. C. Arora, Secretary ICSI and President Lloyd Law College Shri Manohar Thairani. The occasion also saw the Unveiling of the First Module of CLDP. The first session on understanding and exploring your personality was conducted at the Noida Auditorium which boosted the morale of participants.

Inaugural Ceremony Tuesday, 1st August, 2017

Strong Corporate Interface with Industrial Visits.

The unique appearance of the prominent Corporate leaders during the program was well appreciated by the participants. ICSI feels highly indebted to Hindustan Times group and its entire team of officials lead by CS Tridib Barat and CS Dinesh Mittal for actively and voluntarily hosting the visit of participants at their company premises. The meaningful discussions on the functions of publishing and allied areas was a value addition for participants. Meeting and discussions with other prominent corporate leaders namely, CEO Satya Bansal from Barclays, CS Rajiv Bajaj from Panasonic, CS Vineet Agarwal from BMW and CS Ravi Aiyyar from Maruti Suzuki India Ltd were also organised. CS Ravi Aiyyar has also allowed participants to observe the proceedings of their Annual General Meeting scheduled on 5th September. During these industrial visits participants were given an understanding of the ever changing role of CS and how they can contribute towards the strategic growth of organisations. The participants felt that these meetings have been an enlightening experience for them and have greatly inspired them to follow success stories of these role models. The Field visits organised to NCLT/NCLAT/High court have given widespread exposure to the participants in developing their intellectual capital.

Industrial Visit to Hindustan Times and meeting with CS Tridib Barat and CS Dinesh Mittal and team.

Industrial Visit to Barclays on Tuesday 29/08/2017 and meeting with CEO Mr. Satya Bansal

Industrial Visit to Maruti Suzuki India Ltd on 01/09/2017 and meeting with CS S. Ravi Aiyyar
The participants received continuous guidance from the mentors including CS Gaurav Arora- Sr. Vice President, Yes Bank, CS Payal Kataria- PCS, CS Govind Mishra- Soft Skills and Corporate Trainer amongst others who have been an inspiration to them throughout the program.

ICSI puts on record the involvement of industry veterans namely, CS Savithri Parekh from Pidilite Industries Ltd, CS S Sudhakar from Reliance Industries Ltd, CS Narayan Shankar from Mahindra and Mahindra, Mr. Prashant Saran-Ex whole-time member-SEBI, and CS Monika C Jaggia- VP Finance and Strategy, L.T Foods Ltd for sparing valuable time from their busy schedule and sharing their experience and wisdom with the batch on some of the emerging areas.

**UNIQUE ANDRAGOGICAL APPROACH**
During the program active interaction of participants with the faculties was continuously encouraged with the application of role plays, case studies, group exercises, along with well-structured outbound training, and games.

**INDUCTION PROGRAM FOR PARTICIPANTS**
For the smooth induction of the participants, an orientation (day zero) was conducted. The Session started with introduction of the participants through an ice-breaking activity. During the day zero ICSI Coordinators along with the staff of Lloyd Law College met the participants and addressed their fears, doubts and queries regarding the 45 days residential program. Since participants were coming from diverse cultural background, it became imperative to provide them with a comfortable environment at hostel with all basic amenities and a healthy food served in a hygienic environment.

The guideline on the code of conduct during the 45 days was shared with the participants. ICSI took utmost care in seeking continuous feedback from the participants both at formal and informal occasions which had helped to make the program effective provided to them from time to time. The management of Lloyd law College took active interest in addressing and resolving any queries of the participants. Each participant was evaluated by the faculties in the areas of classroom participation, presentations, group activities etc.

**MASTER BLASTER KMP CONTEST**
One of the major attractions of the program was the "Who will Win Master Blaster KMP Contest" which had encouraged healthy competitive spirit amongst the participants. The KMP contest was planned in three stages. Stage one was the preliminary round, stage two was the semi-final round and stage three was the final round. The scores of all the three rounds were added and the winners were announced.

Various activities, such as Book Review Presentations, Individual Presentations, Business Quiz, Project report submission and Presentations and secret voting among the participants formed part of the contest and a consolidated scorecard was generated. The winners of the KMP contest were felicitated during the Valedictory.

**PLACEMENT INITIATIVES**
Rigorous efforts were put in by ICSI preparing the participants to face interviews by grooming them on writing professional CV’s, giving guidance on appearing for interviews and sensitising them on the corporate expectations of the various roles offered to them. The unique proposition of the placement drive was the variety of profiles being offered to participants...
from some of the emerging areas like, GST, Academic Content Development etc.

VALEDICTORY FUNCTION
To mark the successful completion of the program, ICSI organised the CLDP Valedictory function on Thursday 14th September 2017 in the Auditorium ICSI House, Noida. The dignitaries present at the event, Chief Guest, Dr. M. S. Sahoo, Chairperson of the Insolvency and Bankruptcy Board of India, CS. (Dr.) Shyam Agrawal-President ICSI, Shri Manohar Thairani- President Lloyd Law College, CS. Dinesh. C. Arora, Secretary ICSI, and Dr. S.K. Jena- Director, shared their views on the successful completion of the program and congratulated the participants for being part of this unique program.

PARTICIPANTS VIEWS ABOUT THE PROGRAM
It was inevitable to understand the feelings and expressions of the participants who were the key stakeholders during the program. Participants during the program expressed gratitude towards the staff of Lloyd Law College and the co-ordinators from ICSI for their continuous support and encouragement in enhancing the quality of classroom interactions. Most of the participants provided a positive feedback on the quality of administrative facilities (including co-operation and assistance of the staff of Lloyd Law college and ICSI program co-ordinators), and quality of academic intervention (including quality of instruction, contents, and practical exposure through industrial visits and field visits). The duration of 45 days and the residential format of the program helped participants to adapt to challenging circumstances and enhanced their proactive thinking and ability to take decisions.

SUMMARY
At ICSI, we truly believe that learning is a lifelong process that begins with the academic learning and accelerates towards the growth of the member as a CS professional to take up various roles as KMP in organisations.

From the time the idea was conceived, it has seen a remarkable progress in its implementation and execution. However challenges abound, we are sure that the efforts are in the direction of achieving its vision. As expressed in the words of CS Gaurav Arora- Sr. Vice President, Yes Bank and a mentor to the participants. ‘The program commensurate with the global standards and filled the much needed gap to enrich CS members with soft skills, leadership capabilities and management proficiencies which is a clear demand of world economy’. With the launch of this pilot program we are sure that ICSI has already taken the step in the right direction to achieve its vision, which will reap its results in the future batches to come.

APPOINTMENT
Bizerba India Private Limited having its registered office at 401, Technocity, Plot No. X - 5/3, TTC Industrial Area, Mahape Navi Mumbai, Thane 400710, Maharashtra, India, requires dynamic, diligent & result oriented Company Secretary.

The Candidate should be a qualified Company Secretary with 3 Years of experience preferably worked in Company or similar industry.

Candidate should be capable of liaising with various Government Authorities and shall have flair for writing, drafting and vetting of legal documents, agreements, contracts, MOU. Drafting and filing of various returns with different Government Authorities.

Interested candidates fulfilling the above criteria can email their CVs to Sarita.Yadav@bizerba.com/Ba.Alert@skpgroup.com

Exposure Draft on Proposed New Syllabus
Keeping in view the importance of syllabus of the profession of company secretaries and other stakeholders, the Exposure Draft containing Proposed Syllabus for Executive Programme and Professional Programme has been placed on the ICSI website for public comments at the link: https://www.icsi.edu/webmodules/Syllabus_Annexure_1_RP_15_sep.pdf. Members, students, regulators, academicians, academic institutions, industry organizations / associations and all other stakeholders are requested to send their views, comments and suggestions on the Proposed Syllabus through Google Forms at https://goo.gl/forms/MvYeDzBG0jPuUzA3

OBITUARIES
Chartered Secretary deeply regrets to record the sad demise of the following Members:
CS Kaipurath Pongoth Gopimohan, (01.12.1951 – 07.01.2017), a Fellow Member of the Institute from Kochi.
CS L Sundararaj, (10.12.1943 – 26.01.2017), an Associate Member of the Institute from Chennai.
CS K V Kamaladharan (11.06.1944 – 05.02.2010), an Associate Member of the Institute from Kollam.
CS R S Sharma (01.01.1942 – 18.02.2017), an Associate Member of the Institute from Ahmedabad.

May the almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the Departed souls rest in peace.
GST in NEWS
1. 21st GST Council meet successfully ended
   - The GST Council, in its 21st meeting held at Hyderabad on 9th September 2017, has recommended the following measures to facilitate taxpayers:

     In view of the difficulties being faced by taxpayers in filing returns, the following revised schedule has been approved:

     | Sl. No. | Details / Return | Tax Period     | Revised due date |
     |--------|-----------------|----------------|-----------------|
     | 1      | GSTR-1          | July, 2017     | 10-Oct-17       |
     | 2      | GSTR-2          | July, 2017     | 31-Oct-17       |
     | 3      | GSTR-3          | July, 2017     | 10-Nov-17       |
     | 4      | GSTR-4          | July-September, 2017 | 18-Oct-17 (no change) |
     | 5      | GSTR-6          | July, 2017     | 13-Oct-17       |

   - Due dates for filing of the above mentioned returns for subsequent periods shall be notified at a later date
   - GSTR-3B will continue to be filed for the months of August to December, 2017
   - A registered person (whether migrated or new registrant), who could not opt for composition scheme, shall be given the option to avail composition till 30th September 2017 and such registered person shall be permitted to avail the benefit of composition scheme with effect from 1st October, 2017
   - Presently, any person making inter-state taxable supplies is not eligible for threshold exemption of Rs. 20 lacs (Rs. 10 lacs in special category states except J & K) and is liable for registration. It has been decided to allow an exemption from registration to persons making inter-State taxable supplies of handicraft goods upto aggregate turnover of Rs. 20 lacs as long as the person has a Permanent Account Number (PAN) and the goods move under the cover of an e-way bill, irrespective of the value of the consignment
   - Presently, a job worker making inter-State taxable supply of job work service is not eligible for threshold exemption of Rs. 20 lacs (Rs. 10 lacs in special category states except J & K) and is liable for registration. It has been decided to exempt those job workers from obtaining registration who are making inter-State taxable supply of job work service to a registered person as long as the goods move under the cover of an e-way bill, irrespective of the value of the consignment. This exemption will not be available to job work in relation to jewellery, goldsmiths’ and silversmiths’ wares as covered under Chapter 71 which do not require e-way bill

   - FORM GST TRAN-1 can be revised once
   - The due date for submission of FORM GST TRAN-1 has been extended by one month i.e. 31st October, 2017
   - The registration for persons liable to deduct tax at source (TDS) and collect tax at source (TCS) will commence from 18th September 2017. However, the date from which TDS and TCS will be deducted or collected will be notified by the Council later
   - The GST Council has decided to set up a committee consisting of officers from both the Centre and the States under the chairmanship of the Revenue Secretary to examine the issues related to exports
   - The GST Council has also decided to constitute a Group of Ministers to monitor and resolve the IT challenges faced during GST implementation

2. Lukewarm response prompts government to reopen registrations for GST composition scheme
   - Only 9.38 lakh taxpayers have opted for the scheme that allows businesses with annual turnover up to Rs 75 lakhs to pay tax at a concessional rate
   - GST Council has decided that those who have migrated as well as new (taxpayers) can up to September 30 migrate further to the composition scheme- Hon’ble Finance Minister Arun Jaitley had said after the GST Council meeting
   - The previous cut off date for the scheme was Jul 21, which was extended by nearly four weeks

3. Panel Headed By Sushil Modi To Look Into GSTN-Related Issues
   - Bihar Deputy Chief Minister Sushil Kumar Modi will head a five-member grouping of state ministers to look into technical challenges being faced by the GST registration and tax filing portal. The other members include:
     - Amar Agarwal, Minister for Commercial Taxes, Chhattisgarh
     - Krishna Byregowda, Minister for Agriculture, Karnataka
     - Etela Rajendar, Finance Minister, Telangana
     - Etela Rajendran, Finance Minister, Telangana
     - Also, a Committee on Exports has been constituted under Revenue Secretary Hasmukh Adhia to look at the issues of export sector and to recommend to the GST Council suitable strategy for helping the export sector in the post-GST scenario
     - The other members on the committee are:
       - Chairperson, CBEC
       - Member (Customs), CBEC
       - Director General, DGFT
       - Additional Secretary, GST Council
       - Director General, DG Export Promotion from the Central Government
       - Commissioners of Commercial Taxes from the States of Gujarat, Maharashtra, Karnataka, Uttar Pradesh and West Bengal

4. Hon’ble Finance Minister Shri Arun Jaitley hints at one slab in future
   - The Goods and Services Tax Council might consider converging the current standard GST rates of 12%
5. **GST Council may lower tax rates if high collections continue**
   - The all powerful GST Council may consider lowering tax on items of common consumption since the first month collection under the new Goods and Services Tax regime has been encouraging and if the rising trend continues till December, it would make a case for reduction of tax rate

6. **Exporters demand total exemption from GST**
   - Exporters have petitioned the Government for an outright exemption on payment of Goods and Services Tax, saying that the time it takes to get reimbursements under the current mechanism was causing a working capital crunch

7. **August GST mop-up slips to Rs 90,669 crore**
   - Collections under the Goods and Services Tax dropped marginally to Rs 90,669 crore for August from the revised figure of Rs 94,063 crore for July
   - Of the total collections, the share of Central GST (CGST) stood at Rs 14,402 crore, State GST (SGST) at Rs 21,067 crore and Integrated GST (IGST) at Rs 47,377 crore. Of the total IGST Rs 23,180 crore is from imports and the rest from inter-state sales
   - Compensation Cess collections for August stood at Rs 7,823 crore, of which Rs 547 crore is levy on imports

8. **Maharashtra tops in GST migration and fresh registrations**
   - Maharashtra is on the top position among other states in the country when it comes to migration of existing traders and fresh registrations under the Goods and Service Tax network
   - Out of 9.16 lakh existing taxing traders in Maharashtra who had registered themselves under central excise, service tax and value added tax (VAT), around 8 lakh have migrated to the GST network as on August end
   - Principal Chief Commissioner, GST and Central Excise, Mumbai zone When it comes to fresh registration of traders under GST network, Uttar Pradesh (2.54 lakh) and Gujarat (1.16 lakh) have secured second and third positions respectively

9. **Uttar Pradesh registers highest post-GST revenue growth in country**
   - The state has registered the highest revenue rise in the country in August (the July tax paid in August) over the corresponding month of 2016
   - Despite all the odds, the department has earned 24.82% more revenue in August this year vis-à-vis the corresponding month of the previous year and the revenue collection is 98.37% of the target, claiming post-GST revenue rise in UP is the highest in the country

10. **Airtel launches solution for GST filing**
    - Airtel Business, the enterprise arm of Bharti Airtel has rolled out a solution aimed to help small and medium scale entrepreneurs file their GST returns, called Airtel GST Advantage whose features include a help desk to attend customer queries on tax returns, additional data of 18 GB over three months and access to tax filing services of ClearTax- one of the largest tax filing platforms in the country

11. **TDS, TCS deductors can apply for GST registrations from September 18, 2017**
    - GST registrations for entities mandated to collect and deduct tax at source will start from September 18, 2017
    - The government has received a whopping Rs 65,000 crores as refund of Rs 95,000 crores collected under GST, Government orders probe

12. **GSTN reopens window for composition scheme**
    - GSTN has reopened the facility for small taxpayers with turnover of up to Rs 75 lakh to opt for composition scheme
    - Such small taxpayers will have time till September 30 to opt for the scheme which offers easy compliance for business as returns are to be filed only quarterly

13. **Government notifies increase in cess ranging from 2-7% on motor vehicles**
    - The government has notified the increase in cess ranging from 2-7% on motor vehicles
    - There will be no change in cess rate for hybrids and 13-seater vehicles as also small cars--200 cc petrol and 1500 cc diesel

14. **GST transitional credit: Taxpayers claim Rs 65,000 crores as refund of Rs 95,000 crores collected under GST, Government orders probe**
    - The government has received a whopping Rs 65,000 crores of the Rs 95,000 crore collected as GST in July being claimed back as transitional credit by taxpayers
    - The tax authorities are now scrutinising all such cases where the sum exceeds Rs 1 crore

15. **GST to change Budget structure**
    - The 2018-19 Union Budget, the first one since the implementation of GST could have a markedly altered structure than the ones before which is expected to be tabled in Parliament on February 1, 2018 and Part B of the speech, which contains tax announcements, is expected to be the shortest till date.
India, the most ancient land, the land of culture and diversity, is the mother of the entire world in terms of ethics and values. Indian history has given the world various lessons of morality, bravery, honesty, faith and elevated lifestyle. It is Indian culture that teaches us the lessons of ‘Ahimsa Parmodharma’ - non-violence is the greatest religion, ‘Vasudheva Kutumbkam’- entire world is one family and ‘Sarve Bhavantu Sukhina’- may everyone be happy. Each and everyone would nod in agreement if we say that Indian culture is one such culture that gives highest importance to giving, helping and praying for others, selflessly and in an unbiased way. Such is the picture of ancient Bharat and its culture.

But unfortunately, today we see this picture fading off under the dust and dirt of selfishness, ego and depleting values in today's lifestyle. Very less percentage of the ancient culture is being practiced. Even though the roots of ethics in India are very deep and strong, yet today we are unable to see the fruits of peace and happiness. Even in today’s world, we find people in India who are spiritually and religiously inclined, they pray, read scriptures but yet are very different from the ideal lifestyle these scriptures teach us. What is the reason behind this?

Like if we do not water and nurture a tree, no matter how deep its roots are, the tree starts losing its strength and leads to depletion. Similarly, today, not realizing the importance of ethics, we have sort of stopped practicing them in our day to day lives, in a way they are meant to be. Some of us even justify it by saying that they are old teachings which cannot work in today's fast moving and competitive world. When were a child, we were taught the basic ethics, but the irony is that those lessons remained in the books because neither the person who is teaching really follows it nor does the child have the opportunity to see any live example. As a result, when the child grows up, the ethics remain limited to discussions, debates and preaching for others but are rarely communicated through actions and lifestyle.

Because of this the foundation of our lives has become weak. Whatever is built on a weak foundation is in turn weak and one day, stumbles to adverse situations. Similarly, today, whatever relations, environment, society and administrative systems we have built are all so weak that one small situation is enough to shake it. We see that happening everywhere, be it in families, society, workplace or governance. If we introspect, we shall realize that today, somewhere or the other, we carry different faces at different places. We are not even 100% true to ourselves. It is this reason why we try to build external supports for this weak structure of relations, society and administrative systems, without really focusing on the root cause. The temporary structures do support but are short lived and so an endless search for external support continues.

So, let us again turn towards our ancient ethics and see what fruits can be reaped by actually practicing those ethics in daily life. India has given the world an entire basket of ethics, but today let us focus on some of the most important ones which make governance a ‘Good Governance’.

1. Truth & Honesty
   The National Motto of India ‘Satyamev Jayate’ tells us that Truth alone Triumphs. It is a mantra from the ancient Indian Scriptures. This, in just two words, explains why we should practice the value of truth to be successful.
   When we talk of governance, the foundation of good governance is truth. We have seen it in Indian history. When a simple act of standing by the truth was done with honesty, integrity, virtue and pure feeling of not causing hurt to anyone (non-violence) it made Mohandas Karamchand Gandhi into Mahatma Gandhi. He got the title of ‘Father of the Nation’ because of the ethics he followed and taught by example. It was with the strength of these that he could give India and its citizens the greatest gift of Independence.
   Governance involves the process of decision making and implementing those decisions. Unless and until the decisions are taken with truth and honesty, they shall not lead to development, whether it is at family level, society level, organizational level or national level.
   It is the greatest irony today that in a country with such a great National Motto, people often say that with truth one cannot succeed. There are multiple reasons behind this.
   Today people lack the power to walk on the path of truth. The false way seems to be short and giving immediate results, while the path of truth is of sacrifice, selflessness, obstacles and patience but the false path leads to nowhere. No matter how fast we run and how many we leave behind, if on a wrong path we cannot attain success. Secondly, we live in dualities. The inner nature and outer behavior does not match. Because of the depletion of ethics in our inner self, we are afraid to demonstrate our inner self in our actions. Fear and attachment also takes over.

   Like if we do not water and nurture a tree, no matter how deep its roots are, the tree starts losing its strength and leads to depletion. Similarly, today, not realizing the importance of ethics, we have sort of stopped practicing them in our day to day lives, in a way they are meant to be.
Each and every member of the system needs to have faith and trust in themselves and one another. This is a two-way responsibility of each one of us. We need to have such a code of conduct that people can easily have trust on us. We follow the path of truth and honesty can develop a sense of trust in others towards us. Trusting others is the means to develop a feeling of responsibility within them to maintain that trust.

The power of an administrator is showcased by his ability to keep intact the entire team and sail when the winds are in the opposite direction. Power if used with the foundation of ethics shall lead to overall development of self as well as the system but power without the base of ethics only leads to misuse and results in a society with inequality, bias and anarchy.

The fear of defamation, lacking the power to face and attachment or greed makes us to follow the false path to hide our own shortcomings and unethical nature.

So, to practice the virtue of truth and honesty, first we need to have a clean inner self. Our thoughts should be true and for the benefit of everyone. They should be free from greed, selfishness and attachment. And we should in the real sense practice honesty-which is not just limited to refraining from corrupt means but also involves being same inside and outside. It teaches us transparency.

Honesty without truth can be misleading. For example, if a person who does not follow the path of truth is transparent; he does not hide it from people, then even though he is honest, it is of no benefit to the person or system.

So, imbibing the value of truth and keeping the courage to practice it is the only way to succeed. If each one at individual level practices this, then there would not be any need to say that truth does not work in today’s world.

2. Trust

Trust means to have faith and belief. In entirety, practicing the value of trust means to have faith in ourselves, in others and in the system.

Today, due to lack of connection with our inner self, we lack the realization of our inner potentials. We, unaware of our own capacities tend to lose faith in ourselves. Where there is lack of faith, comes doubt. And doubt increases the possibilities of failure. A person with a doubting nature, not only doubts his own potential, but also applies it on others. This is the biggest cause of discouragement. In an environment of doubt, neither can we perform at our best, nor will others feel encouraged to do so.

For example, if a child is going out for an adventure with family and the mother has faith in herself that in case of a difficult situation, she will be able to protect her child and also that the child will definitely learn and come out of any situation, then they shall enjoy their adventure while being safe. On the other hand, if she has doubts, neither will the child feel encouraged to learn and explore new things, nor will the mother feel to enjoy with free mind.

Same is applicable in our administrative systems. Each and every member of the system needs to have faith and trust in themselves and one another. This is a two-way responsibility of each one of us. We need to have such a code of conduct that people can easily have trust on us. We by following the path of truth and honesty can develop a sense of trust in others towards us. A person who receives trust can also trust others and vice-versa. Trusting others is the means to develop a feeling of responsibility within them to maintain that trust. A good administrator wins the trust of everyone, has faith in his people and system and empowers them. This is the way to collective progress and achieving success.

3. Power

‘Power’ is the mark of the administrators. It is by the exercise of power of their role, that administration is conducted. But real power does not derive from position, prestige or pay, but by the ability to positively influence others to follow the system laid by the administration and give in their best. It does not lie in dominating or controlling others but in supporting and standing high in every situation, being ready to face challenges and overcome any situation where some goal is unfulfilled. Every time the winds may not flow in favourable direction. The power of an administrator is showcased by his ability to keep intact the entire team and sail when the winds are in the opposite direction.

Excellence in administration depends upon how the power is used, and whether it results in the empowerment of everyone in the system or not. Power if used with the foundation of ethics shall lead to overall development of self as well as the system but power without the base of ethics only leads to misuse and results in a society with inequality, bias and anarchy.

Power can be rejuvenated by focussing on our responsibilities along with abiding by the values and ethics. Following the path of truth, gives us power and keeping trust in fellows empowers them hence frees everyone from the feeling of fear and selfishness. The stronger the roots are, the powerful the system shall be. Hence hence real power for governance further depends on how powerful the administrators are internally?

4. Patience

It is said that ‘patience is bitter but its fruits are sweet’. But what if we learn the art of being patient in such a way that the time of patience is also felt as sweet? Somewhere or the other, due to lack of understanding what patience means, we have a perspective about it which is very different from reality.

Patience does not merely mean waiting for the result and meanwhile doing nothing. It means to
prepare ourselves and work for things to happen at the right time. For instance when we sow a seed, it takes time to become a tree and bear fruits. But meanwhile we cannot sit idle. We need to prepare for the tree’s growth. We need to water it and nurture it. All throughout the time we wait for the sapling to grow, we have faith and positivity that it will certainly grow to become a huge tree and then will come the time to reap fruits. Even when the fruits start coming, it is not the time to pluck them and eat. Once they are ripe, only then is the plucking and eating recommended otherwise, instead of sweet fruits we may land up eating sour ones. Similarly, in life when we have the quality of patience, we are more concern about ‘what do I need to do now’ instead of worrying about ‘when will this happen’ or ‘whether it will happen or not’. This shift makes our mind more positive, active and increases our attention to the present instead of past and future. It is then that we actually get the best fruits out of our hard work. Like if we keep plucking the fruits when they have just started to come, we shall never be able to taste sweet fruits and our hard work and wait will go unrewarded. Similarly, in day to day life, when due to impatience we get sour fruits, we often put the blame on people, circumstances etc. and keep giving clarifications why we could not achieve what we had desired. So to receive the full result of our hard work, and increase the efficiency and success of any administrative system, working with patience is very essential.

5. Compassion

Compassion is the base of all religions and actions. Any thought, word or action without compassion is just like a land without water on which no flower can ever blossom. A person without compassion shall always be unable to follow any virtue or quality fully with a true heart. Where there is love & compassion, there is no effort. Like when a simple act of serving others was done with the virtue of unconditional love, compassion and selflessness, it made Agnes Gonxha Bojaxhiu into Mother Teresa and further into Saint Teresa. A mother is ready to do any task for the benefit of her child or family no matter how much tired or incapable she is. She may not know how to completely do some job, but because it is her family’s or child’s need, she does not even hesitate in learning the job and doing it. From where does this feeling come. It is merely because of the love and compassion she has. But this is just limited to her family or at the most relatives. Compassion in the true sense means having unconditional spiritual love for each and everyone without seeing whether it is someone who is near and dear to us or not.

Today in our administrative system, if each one of us has compassion and pure love for one another, we shall be able to perform every job as if it was my own. Our behavior towards everyone would be like they all are our family members. This would take us to a new level of mutual understanding. The internal clashes would end. Ego shall vanish and what will remain is true, pure and transparent relations heading towards success at every step. Till now we have seen how ethics and values when practiced religiously lead to a better life and better governance of an administrative system. These ethics have been talked about in the most ancient scripture of India – The Geeta. It teaches us the lesson of following all virtues and yet fulfilling our responsibilities. It clearly defines that without practicing ethics, we cannot achieve victory (success). But it also says that to practice these virtues and ethics, one needs a positive and stable mind which is in our control i.e. obeys our orders. We all know that it is not the case today with our mind. Some say that mind is like a horse and it is very difficult to control it, because it constantly wanders. But the fact is that a beautiful art of befriending our mind exists in this world, which is again a gift given by India to this world, called ‘Yog’ or meditation.

**Rajyoga Meditation- the art to lead an ethical life**

Rajyoga Meditation is the art of connecting to one’s own self, rejuvenating our values and original qualities and connecting with the supreme source of energy to fill ourselves with the treasure of divine virtues. This method of re-establishing divine connections, strengthens our mind and intellect.

We all are aware that we are not merely these bodies but Souls driving these bodies. So, the first step in Rajyoga Meditation is Self-realization and the next step is connection with the Supreme- who is the father of all souls. Like a mobile gets charged when connected to the electricity source, similarly the Soul gets charged with the virtues when its consciousness is connected to the Supreme Consciousness- the source of all virtues. It is not merely a method to be practiced while sitting silently in a room, but on the contrary it is the easy technique of being in that virtuous stage and practicing them daily along with doing the day-to-day tasks. It is more a way of living than merely a method to be followed. Meditation transforms the way of thinking, interacting and doing work. It makes an ordinary person into a divine and valuable individual who by his own ethical life inspires the world to lead a life full of virtues and ethics; gaining back our real strength and roots of good governance.
Invitation

Dear Professional Colleagues,

We cordially invite you to attend and participate in the Golden Jubilee Year National Convention of Company Secretaries (45th National Convention), which is being organized by the Institute of Company Secretaries of India from Wednesday, November 22, 2017 to Friday, November 24, 2017 at Al Saj Convention Centre, Thiruvananthapuram (Trivandrum), Kerala on the Theme "Company Secretary: Shaping New India 2022 Through Good Governance." The Convention seeks to make an in-depth analysis of the theme by deliberating on the following sub-themes:

**Opening Plenary**
1. GST- Good and Simple Tax - A progressive reform towards Economic Growth
2. Insolvency and Bankruptcy Code - World of New Opportunities - Prepare to excel
3. Life Skills/Management Skills - Governance Professional - Driving your Business to Success
4. New India - New ICSI
5. NCLT - New Horizons of the Profession and Tasks Ahead
6. Governance from Ancient Indian Scriptures

**Closing Plenary**

The Convention will begin with the Opening Plenary at 2:00 PM on November 22, 2017 and conclude with Interactive Session for ICSI Members from 3:00 PM onwards on November 24, 2017.

Eminent Persons and Experts in their respective fields from the Government, Regulators, Profession, Academia, Corporate Sector across the country as well as International speakers will address the participants.

In such a gathering focusing on the exchange of professional knowledge, your participation will surely contribute. Along with this, the participants will get hold of open opportunities for the mutual sharing of professional views and experience with their peers participating from all around India and overseas.

We are delighted to call upon you to register yourself along with other executives of your organization as delegate(s) for this Convention. Delegates may register online at the link: goo.gl/eGLikx

You are also requested to register your spouse, children and other guests for attending the lunch, dinner, sightseeing, cultural programme and other attractions of the Convention.

A Souvenir containing theme articles, programme details, messages of good wishes and other interesting features will be brought out to commemorate this annual congregation. Kindly use your good offices in obtaining advertisement for the proposed Souvenir. We also look forward to your support by way of sponsorships.

Details about the registration procedure, participation fee along with the tentative programme schedule, advertisement/ sponsorship rates and list of hotels along with their tariffs are set out in this brochure.

We look forward to your nomination(s), advertisement and sponsorship support.

Looking forward to meet you at the 45th National Convention at Thiruvananthapuram.

Thanking you,

With kind regards,

Yours sincerely,

CS (Dr.) Shyam Agrawal
President, ICSI

CS Ramasubramaniam C.
Council Member, ICSI and
Chairman, 45th National
Convention Organizing

CS Gopakumarshana Hegde
Council Member, ICSI and
Co-Chairman, 45th National
Convention Organizing

CS Abhijita Rao V.
Council Member, ICSI and
Co-Chairman, 45th National
Convention Organizing

CS Dinshad A. Arora
Secretary, ICSI
Golden Jubilee Year National Convention of Company Secretaries (45th National Convention)

Company Secretary: Shaping New India 2022 Through Good Governance

November 22-23-24, 2017
Venue: Al Saj Convention Centre, Thiruvananthapuram (Trivandrum), Kerala

India is transforming, powered by the strength of each and every citizen of India; an India that is driven by innovation, hard work and creativity; an India characterized by peace, unity and brotherhood and an India free from corruption, terrorism, black money and dirt. Together, let us build the India of our dreams so that when we mark 75 years of freedom in 2022, we should have an India that will make Gandhi Ji, Sardar Patel and Babasaheb Ambedkar proud. Be the Part of New India!

The foundation of New India 2022 is grounded with various parameters including among others in sustainable governance. Good Governance plays significant role in creating, promoting and nourishing the path of sustainable development. Good Governance is not just a process about making the ‘Right’ decisions, rather it is structured process of decision making right for the people’s welfare in entirety. When the governance directs the path of successful implementation of the policies and procedures meant for the growth of nation at large, at the same end, the principle of good governance ensures accountable, transparent, responsive, equitable, inclusive, effective and efficient, rule abiding governance paving the way for the sustainable growth of the country, aligning with Vision New India 2022 of Hon’ble Prime Minister that Good Governance with Good Intentions is the Hall

Mark of Government. The Company Secretaries as Governance Professionals are central to the implementation of the principles of good governance with integrity, reliability and uprightness. The important role being played by the Company Secretaries, both in employment and in practice, in ensuring the effective and efficient application and adherence to the rules of law not only makes the way forward for the self-sufficient and self-reliant India, rather it associates into the new and prosperous face of social, economic, technological, as well as environmental transformation of the country. Their professional expertise in compliance and governance is dedicated professional contribution in nation building and to realise Vision New India 2022. Company Secretaries as thought leaders in the arena of governance, are committed in shaping New India through good governance wherein transparent, accountable, effective and efficient parameters of governance would lead us to experience the sunniest face of inclusive India.

Sub-themes of the Convention are:

Opening Plenary
1. GST- Good and Simple Tax · A progressive reform towards Economic Growth
2. Insolvency and Bankruptcy Code · World of New Opportunities · Prepare to excel
3. Life Skills/Management Skills · Governance Professional · Driving your Business to Success
4. New India · New ICSI
5. NCLT · New Horizons of the Profession and Tasks Ahead
6. Governance from Ancient Indian Scriptures

Closing Plenary
## Golden Jubilee Year National Convention of Company Secretaries (45th National Convention)

### Tentative Programme Schedule

**DAY 1 - Wednesday, November 22, 2017**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.00 AM onwards</td>
<td>Registration of Delegates &amp; Lunch</td>
</tr>
<tr>
<td>2.00 PM to 3.30 PM</td>
<td>Opening Plenary</td>
</tr>
<tr>
<td>3.30 PM to 4.00 PM</td>
<td>Tea Break</td>
</tr>
<tr>
<td>4.00 PM to 6.00 PM</td>
<td>Technical Session-I: GST- Good &amp; Simple Tax- A Progressive Reform Towards Economic Growth</td>
</tr>
<tr>
<td>6.00 PM to 7.00 PM</td>
<td>R&amp;Z Session</td>
</tr>
<tr>
<td>7.30 PM onwards</td>
<td>Cultural Programme and Dinner</td>
</tr>
</tbody>
</table>

**DAY 2 - Thursday, November 23, 2017**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.00 AM to 12.00 Noon</td>
<td>Technical Session-II: Insolvency and Bankruptcy Code - A world of New Opportunities-Prepore to Excel</td>
</tr>
<tr>
<td>12.00 Noon to 12.30 PM</td>
<td>Tea Break</td>
</tr>
<tr>
<td>12.30 PM to 1.30 PM</td>
<td>Technical Session-III: Life Skills / Management Skills - Governance Professional-Driving your Business to Success</td>
</tr>
<tr>
<td>1.30 PM to 3.00 PM</td>
<td>Lunch</td>
</tr>
<tr>
<td>3.00 PM to 4.30 PM</td>
<td>Technical Session-IV: New India - New ICSI</td>
</tr>
<tr>
<td>4.30 PM to 5.00 PM</td>
<td>Tea Break</td>
</tr>
<tr>
<td>5.00 PM to 6.00 PM</td>
<td>Spiritual Session</td>
</tr>
<tr>
<td>7.30 PM onwards</td>
<td>Cultural Programme and Dinner</td>
</tr>
</tbody>
</table>

**DAY 3 - Friday, November 24, 2017**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.00 AM to 11.30 AM</td>
<td>Technical Session-V: NLCT - New Horizons of the Profession and Tasks Ahead</td>
</tr>
<tr>
<td>11.30 AM to 12.00 Noon</td>
<td>Tea Break</td>
</tr>
<tr>
<td>12.00 Noon to 1.00 PM</td>
<td>Technical Session-VI: Learning Governance from Ancient Indian Scriptures</td>
</tr>
<tr>
<td>1.00 PM to 2.30 PM</td>
<td>Lunch</td>
</tr>
<tr>
<td>2.00 PM to 3.00 PM</td>
<td>Lunch</td>
</tr>
<tr>
<td>3.00 PM onwards</td>
<td>Interactive Session (for ICSI Members)</td>
</tr>
</tbody>
</table>

---

### Programme Credit Hours

Members of the Institute attending the National Convention on all three days will be eligible for grant of 10 (ten) Programme Credit Hours.

Students attending National Convention on all three days would be deemed to have completed 24 (Twenty Four) hours of Professional Development Programmes.

### Accompanying Guests, Spouse and Children

Accompanying Guests, Spouse and Children registered for the Convention will be eligible to participate in Lunch, Dinner, Local Sightseeing, Cultural Evening and other attractions of the Convention.

### Venue of the Convention

The Al Siq Convention Centre, M.L. Kailasam Street, (Opposite CSI Mission Hospital), Thiruvananthapuram, Kerala

Phone: +91(471)2414099

Email: alasiqconventioncentre@yahoo.com

### How to Reach

Thiruvananthapuram (or Trivandrum) is the capital of the southern Indian state of Kerala. It is distinguished by its British colonial architecture and many art galleries. It’s also home to Kottakavu (or Pulimoodu) Palace, adorned with carved columns related to the Travancore royal family, whose regional capital was here during 18th-20th centuries.

Thiruvananthapuram is well connected with all parts of country with Air, Rail and Road transport.

- **By Air**
  - Thiruvananthapuram has its own international airport which is well-connected with different cities across the globe. The airport has direct flights to major Indian cities like New Delhi, Mumbai, Chennai, Bengaluru and others.

- **By Train**
  - The Trivandrum Central railway station is situated within the city and is well-linked with major Indian cities like New Delhi, Mumbai, Chennai, Coimbatore, Indore, Bengaluru and many others.

- **By Road**
  - Thiruvananthapuram has good infrastructure and is well connected with National/State highways with the other cities of India.

### Participants

Company Secretaries, Chartered Accountants, Cost and Management Accountants, Directors and other Senior Management Executives in the Corporate and Services Sector and other Professionals working in Secretarial, Financial, Legal, Management, and Academic Disciplines would benefit from participating in the Convention.

### Faculty

Eminent persons from the Government and Industry, including Professionals and Management Experts will address the participants and there would be brain-storming sessions and interactions.

### Papers for Discussion

Members who wish to contribute papers for publication in the Souvenir are requested to send the same through email (conference@icsi.co.in) on or before 10th October 2017. The paper should not normally exceed 15 typed pages (font size A4/12 point – single space / single column and without any diagrams / sketches / downloaded pictures from internet). The Article Screening Committee will consider the Articles so received and the decision of the Institute based on the recommendations of the Screening Committee will be final in all respects. An honorarium of Rs.2,500/- will be kindly paid by the Institute for each paper selected for publication in the Souvenir. Submitted Members are requested to mention their Income Tax PAN and GSTN (if obtained) while submitting the Articles, in order to enable us to respond the payment of honorarium.

### Registration Procedure

**Type of Delegate**

<table>
<thead>
<tr>
<th>Type of Delegate</th>
<th>Delegate Fee (Non-Residential)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Bird (Deadline for submission is by 30th September, 2017)</td>
<td>INR 1,600</td>
</tr>
<tr>
<td>Early Bird (Deadline for submission is by 31st October, 2017)</td>
<td>INR 1,600</td>
</tr>
<tr>
<td>Other (Delegate fee to be paid on or before 30th November, 2017)</td>
<td>INR 1,800</td>
</tr>
</tbody>
</table>

**Fee Components**

- INR 1,600 applicable on the above fee

The above fee covers Lunch (3), Dinner (2), Morning / Evening Tea / Coffee / High Tea / Convention Kit and Backgrounders. The Delegate Fee is payable in advance and is non-refundable once the nomination is received.

**Delegate Registration**

Delegates are requested to register for the Convention by visiting the website [gos.iicsi.org](http://gos.iicsi.org).

**Tourist Attractions at Thiruvananthapuram**

- **Padmanabhapuram Palace**
  - The Temple is built in an intricate fusion of the indigenous Kerala style and the European style (Viz), of architecture associated with the temples located in the neighboring state of Tamil Nadu, featuring high walls, and a 14th century Gopura.

- **Narayani Museum**
  - The Narayani Museum is an art and natural history museum situated in Thiruvananthapuram (Trivandrum), The museum was established in 1855. In 1874, the old Museum Building was demolished and foundation for the new building was laid. The new building was named after Lord Narayan, the Governor of Madura from 1864-1872.

- **Attukal Bhagavathy Temple**
  - Attukal Bhagavathy Temple is a Hindu religious shrine at Attukal, Thiruvananthapuram, Godess Bhadrakali (Kainakary), mounted on vechikal, is the main deity in the temple.

The Thiruvananthapuram Zoological Park located in the city of Thiruvananthapuram, occupies 55 acres (22 ha) of woodland, lakes, and lawns. It is the oldest zoo in India and Asia.

Apart from the above, there are plenty of tourist attractions at Thiruvananthapuram like Kovalam/ Palace, Shaligramam Beach, Sivaganga Siva Temple, Thiruvananthapuram Palace, Light House Beach, Veli Lake and Tourist Village. Kerala Science and Technology Museum, Padmanabhapuram Gopura Temple, Trivandrum City and many more.

The Delegates can also plan visit to Kanyakumari, religious town of the neighbour state Tamil Nadu.

In case you are facing any difficulty or want any clarification the following ICSI Officials could be contacted:

- **Query Clarification**
  - Name of the Corresponding ICSI Official: [Email](mailto:corresponding@icsi.co.in)

- **Delegate Registration**
  - MC, Thiruvananthapuram: [Email](mailto:thiruvananthapuram@icsi.co.in)

- **Research Paper Related**
  - MC, Trivandrum: [Email](mailto:trivandrum@icsi.co.in)

- **Sponsorship/Advisement**
  - MC, Thiruvananthapuram: [Email](mailto:thiruvananthapuram@icsi.co.in)

- **Hotel Accommodation**
  - MC, Trivandrum: [Email](mailto:thiruvananthapuram@icsi.co.in)

*Compiled from various tourism websites.*
HOTEL ACCOMMODATION

Special arrangements made by the Institute

The delegates are requested to plan their itinerary well in advance to avoid inconvenience at a later stage. The Institute has finalized packages from the under-mentioned hotels where in special arrangements have been made for accommodation of delegates.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name &amp; Address of Hotel</th>
<th>Star category</th>
<th>Distance from Convention Venue</th>
<th>Distance from Trivandrum International Airport</th>
<th>Distance from Trivandrum Central railway station</th>
<th>Room tariff (per room per night)</th>
<th>Name of contact person &amp; telephone no.</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hotel Vivanta By Taj CV Raman Pillai Road Thrissur Thruvananthapuram</td>
<td>5 star</td>
<td>16 km</td>
<td>6 km</td>
<td>2.5 km</td>
<td>Rs. 7670/-</td>
<td>Ms. Brinjal</td>
<td><a href="mailto:brinjal@tajhotels.com">brinjal@tajhotels.com</a></td>
</tr>
<tr>
<td>2</td>
<td>Hotel Hyatt Regency Muziris Hotel and Convention Centre Thrissur Thruvananthapuram</td>
<td>5 star</td>
<td>16 km</td>
<td>6 km</td>
<td>1.7 km</td>
<td>Rs. 5500/-</td>
<td>Mr. Suresh</td>
<td><a href="mailto:surikumar@tajhotels.com">surikumar@tajhotels.com</a></td>
</tr>
<tr>
<td>3</td>
<td>Hotel Hilton Garden Inn Picnic Road Trivandrum Thruvananthapuram</td>
<td>5 star</td>
<td>16 km</td>
<td>6 km</td>
<td>3.8 km</td>
<td>Rs. 5270/-</td>
<td>Ms. Albert</td>
<td><a href="mailto:albert@hilton.com">albert@hilton.com</a></td>
</tr>
<tr>
<td>4</td>
<td>Hotel Apollo Jett Hotel Opposite Central Railway Station Thrissur Thruvananthapuram</td>
<td>4 star</td>
<td>15 km</td>
<td>5 km</td>
<td>1 km</td>
<td>Rs. 3545/-</td>
<td>Mr. Sridhar</td>
<td><a href="mailto:sridhar@apollohotels.com">sridhar@apollohotels.com</a></td>
</tr>
<tr>
<td>5</td>
<td>The South Park Fortune Hotel M.G. Road Trivandrum Thruvananthapuram</td>
<td>4 star</td>
<td>15 km</td>
<td>5.5 km</td>
<td>2.5 km</td>
<td>Rs. 3500/-</td>
<td>Mr. Arun Kumar</td>
<td><a href="mailto:arunkumar@fortunehotels.in">arunkumar@fortunehotels.in</a></td>
</tr>
<tr>
<td>6</td>
<td>The Central Residency Hotel Kempinski Malaysia Mansion Thrissur Thruvananthapuram</td>
<td>4 star</td>
<td>16 km</td>
<td>6 km</td>
<td>1.7 km</td>
<td>Rs. 3000/-</td>
<td>Mr. Ajith</td>
<td><a href="mailto:ajith@kempinski.com">ajith@kempinski.com</a></td>
</tr>
</tbody>
</table>

Important Instructions regarding booking of Accommodation:

1. All delegates may kindly note that November is peak tourist season in Kerala. Therefore, air tickets, train tickets and Hotel rooms will get fully booked during that period; it is expected that delegates who are waiting for last minute planning may face difficulty in getting confirmed reservations in flight/train and hotels.
2. The Registration formalities will start from 11:00 am on 22nd November, 2017, followed by Lunch at 12:00 noon and the Convention will conclude with Interactive Session for Members of ICSI at 3:00 pm onwards on 24th November, 2017.
3. Delegates may please note that Thruvananthapuram is also known as Trivandrum.
4. All delegates are requested to plan their travel program at the earliest and book their flight/train tickets urgently. It is also advised that Hotel Rooms be booked at the earliest by 20th October 2017. Otherwise delegates may face the availability crisis of confirmed room reservations.
5. After having healthy negotiations, ICSI has taken best rates from some hotels and blocked the rooms on concessional rates for delegates at the National Convention. Delegates are requested to avail this opportunity quickly. Otherwise delegates may get rooms at higher price due to peak tourist season.
6. For booking rooms in hotels, members/students/others (as the case may be) are required to firstly get themselves registered as delegate for the convention by paying the delegate fees online at the website of the ICSI. As it is pre-requisite for booking the rooms, delegate registration number is compulsorily required to be mentioned on hotel room booking application form.
7. For booking of rooms in hotel, delegates may select the hotel as per their choice, download the booking form against that hotel's name, available at ICSI website and send the scanned copy of the duly filled form through e-mail to the respective hotel.
8. All payments related to stay of delegate in Hotel are required to be settled by the delegate directly with the hotel concerned.
9. All delegates may kindly note that hotel rooms shall be booked on full room basis. If any delegate wants to share his room with any other delegate, he is advised to decide his room partner in advance and should give details of his partner/accompanying guest in the booking form itself. Payment should be settled by any one of them and they may share the total amount at personal level amongst themselves.
10. Arrangements will be made by ICSI for pick up and drop of delegates between hotel and convention venue and also from Trivandrum Airport at certain intervals.
11. Hotels have been requested to allow early check-in for the delegates reaching before check-in time due to different flight timings, but this facility is subject to availability of rooms at that point of time. Lunch has also been arranged to be served from 12.00 noon onwards on 22nd November, 2017, at the Convention venue.
Sponsorship/Advertisement Tariff

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Type of Sponsorship</th>
<th>Sponsorship Amount in Rs. and other Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Principal Sponsor</td>
<td>21,00,000</td>
</tr>
<tr>
<td></td>
<td>· One special full page advertisement in the Souvenir</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Delegate fee (non-residential) exemption: 11 delegates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Display at Convention backdrop</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Acknowledging Support</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Co-Sponsor</td>
<td>15,00,000</td>
</tr>
<tr>
<td></td>
<td>· One special full page advertisement in the Souvenir</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Delegate fee (non-residential) exemption: 10 delegates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Display at Convention backdrop</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Acknowledging Support</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Sponsorship for Page</td>
<td>10,00,000</td>
</tr>
<tr>
<td></td>
<td>· One special full page advertisement in the Souvenir</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Delegate fee (non-residential) exemption: 9 delegates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Display at Convention backdrop</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Acknowledging Support</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Associate Sponsor</td>
<td>12,00,000</td>
</tr>
<tr>
<td></td>
<td>· One special full page advertisement in the Souvenir</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Delegate fee (non-residential) exemption: 10 delegates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Display at Convention and Dinner site</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Acknowledging Support</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Diamond Sponsorship</td>
<td>10,00,000</td>
</tr>
<tr>
<td></td>
<td>· One special full page advertisement in the Souvenir</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Delegate fee (non-residential) exemption: 9 delegates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Display at Convention and Lunch site</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Acknowledging Support</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Platinum Sponsor</td>
<td>5,00,000</td>
</tr>
<tr>
<td></td>
<td>· One special full page advertisement in the Souvenir</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Delegate fee (non-residential) exemption: 3 delegates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Display at Convention Site</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Acknowledging Support</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Type of Sponsorship</th>
<th>Sponsorship Amount in Rs. and other Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.</td>
<td>Golden Sponsor</td>
<td>3,00,000</td>
</tr>
<tr>
<td></td>
<td>· One special full page advertisement in the Souvenir</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Delegate fee (non-residential) exemption: 2 delegates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Display at Convention Site</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Acknowledging Support</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Bronze Sponsor</td>
<td>2,00,000</td>
</tr>
<tr>
<td></td>
<td>· One special full page advertisement in the Souvenir</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Delegate fee (non-residential) exemption: 1 delegate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Display at Convention Site</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Acknowledging Support</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Executive Sponsor</td>
<td>5,00,000</td>
</tr>
<tr>
<td>10.</td>
<td>Cultural Programme Sponsor</td>
<td>5,00,000</td>
</tr>
</tbody>
</table>

11. Advertisements in Souvenir
   - Back Cover (Display of one banner): 1,00,000
   - Third Cover (Display of one banner): 75,000
   - Second Cover (Display of one banner): 75,000
   - Full Page (coloured printing): 50,000
   - Full Page (B/W): 25,000
   - Half Page: 15,000

12. Banner
   - (a) 9’ x 6’ = Bkl Full Page Advertisement (Colour): 1,00,000
   - (b) 9’ x 6’ = Bkl Full Page Advertisement (B/W): 75,000
   - (c) 6’ x 6’ = Bkl Full Page Advertisement (B/W): 35,000

13. Stalls
   - (a) 6’ x 4’ = Stalls: 50,000

14. Distribution of Publicity Material, literature, Pen/Pad etc: 1,00,000

15. Sponsorship of Pen/Pad: 1,00,000

16. Alternatives
   · For any member who procures advertisements above Rs. 2,00,000 (Delegates fee (non-residential) exemption for 2 delegates)

   · For any member who procures advertisements above Rs. 1,00,000 (Delegates fee (non-residential) exemption for 1 delegate)

   · 15% Discount to the Chapter for procuring any of above sponsorships / advertisements

Unique Opportunity for Practicing Company Secretaries (PCS)

22nd to 24th November, 2017
Al Saj Convention Centre, Thiruvananthapuram (Kerala)

1) Any PCS/PCS Firm can give an advertisement in souvenir to be released at National Convention.
2) One full page of souvenir is divided in eight boxes of equal size. For each such box, the advertisement tariff is Rs. 25,000/- (Rupees twenty five thousand only). If any PCS/PCS Firm is paying Rs. 50,000/- (Rupees fifty thousand only) then size of advertisement will be equivalent to two such boxes and if any PCS/PCS Firm is paying Rs. 1,00,000/- (Rupees one lac only) then size of advertisement will be equivalent to four such boxes.
3) “With best compliments from (name of PCS Firm, its address & contact details)” shall be printed in that box.
4) No other details (like various services offered or area of specialization etc.) about the firm shall be allowed to be printed.
5) The individual PCS who has paid for this advertisement shall be allowed to attend 45th National Convention without payment of delegate registration fee.

For Rs. 25,000/- Advertisement-One Member is allowed as delegate without payment of registration fee
For Rs. 50,000/- Advertisement-Two Members are allowed as delegate without payment of registration fee
For Rs. 1,00,000/- Advertisement-Four Members are allowed as delegate without payment of registration fee

To avail this opportunity, interested PCS may send their application, matter to be printed, along with a cheque of Rs. 25,000/- or Rs. 50,000/- or Rs. 1,00,000 in favour of “The Institute of Company Secretaries of India”, at given below address:

Ms. Preeti Kaushik Banerjee
Director (Corporate Communication)
The Institute of Company Secretaries of India
22, Institutional Area, Lodi Road, New Delhi - 110003
Email: preeti.banerjee@icsi.edu, Tel: 011-45341022
Objective: The objective of the Course is to create a cadre of Associates / Fellows ICSI professionals in the Insurance industry to be well versed in risk management, governance and regulatory compliances.

Scope & Coverage: Course seeks to empower

- Company Secretaries and
- Associates & Fellows of III, who are interested in working in Compliance and Governance areas.

The course covers matters relating to Risk Management, Governance and Compliance in the Insurance industry. This would include:

- Understanding the conceptual framework of insurance regulations,
- Awareness of the international regulatory scenario,
- Statutory provisions contained in various legislation applicable in the country,
- Specific regulations drawn by the insurance regulator,
- Market conduct and
- In-depth learning of the various compliance required in the sector.

Golden Jubilee Year National Convention of Company Secretaries
(45th National Convention)

Certificate Course on Compliance, Governance and Risk Management in Insurance
Offered by
Insurance Institute of India (III) jointly with The Institute of Company Secretaries of India (ICSI)
for Associate / Fellow of ICSI

Enrollment Date for Dec. 2017
Online Exam:
10th October to 25th October 2017
ICSI initiatives on Goods and Services Tax (GST)

Goods & Services Tax Newsletter

The Institute of Company Secretaries of India (ICSI), as a part of its capacity building initiatives under the new indirect tax regime and upholding the “One Tax One Nation” motto of the Government of India, is regularly bringing out a monthly newsletter dedicated to the Goods & Services Tax (GST), September issue being the latest.

The first volume of the GST Newsletter was launched at the gracious hands of Shri Arjun Ram Meghwal, Hon’ble Minister of State for Finance and Corporate Affairs, Government of India.

The GST Newsletter broadly aims to cover recent updates and news under GST, a glimpse of events organised by ICSI on GST and a list of upcoming events along with articles, FAQs and other related material.

Members who wish to contribute write ups or articles for the GST Newsletter may send the same through email at gst@icsi.edu.

GST Educational Series

The Institute of Company Secretaries of India, as a capacity building initiative, started a daily GST Educational Series which are being very well received by all the stakeholders as well as public at large. The series have been successful and academically useful. Till date ICSI has brought out 85 issues of GST Educational Series which are also available on the GST Corner of the ICSI website at https://www.icsi.edu/GSTEducationalSeries.aspx.

Inclusion of GST in Syllabus

The Institute has incorporated GST in the Syllabus of Executive and Professional Programme for December, 2017. The study material has already been uploaded on the academic corner of the ICSI Website.
GST Point

With the objective of rendering hand in hand support to the government for ensuing the effective implementation of GST Laws and to advance various initiatives of the Institute to educate the public at large about the diverse facts and facets of Goods and Services Tax (GST), the Institute had launched a GST Point as a uniform platform to reply to the queries, difficulties and challenges faced by consumers, manufacturers, traders, MSMEs, public at large, professionals, etc. in understanding and implementation of the Goods and Services Tax Laws. So far, thirty (30) sessions of GST Point have successfully been completed. The same has been receiving a tremendous response from all stakeholders. The queries received and answered by experts cover a wide range of topics including registration, filing, and input tax credit along with other GST modalities.

GST Point Counters

In view to resolve the queries of the stakeholders ensuring the utmost effective and efficient application and implementation of GST and related aspects, the Institute has set up various physical GST Point Counters at many Regional Councils and Chapter Offices of the Institute. Recently, CS (Dr.) Shyam Agrawal, President, ICSI has inaugurated ICSI GST Point Centre at the premises of ICSI Hyderabad Chapter on September 16, 2017.

GST Programmes

Various programmes on GST are being undertaken regularly at Regional Council and Chapter Office(s).

ICSI GST App

The Institute of Company Secretaries has launched ICSI GST App for public at large which enables users to get latest news, articles, regulations and various publications on GST by ICSI. The App is available on android platform and can be downloaded from Play Store as well as IOS and now has more than 16000 users.
On 29 August 2017, the Department for Business, Energy and Industrial Strategy (BEIS) of UK published a formal response to its November 2016 green paper consultation on the governance of UK companies. A number of areas for reform have been identified by the government to increase boardroom accountability and enhance the public’s trust in business.

The green paper on “Corporate Governance Reform” was published on 29 November 2016, by BEIS which stimulated a broad-ranging debate on ways to strengthen the UK’s corporate governance framework and was closed on 17 February 2017. Based on the response received, the Government has set out various proposals it intends to take forward. These include mandatory measures to require companies to report on their ratio of CEO to workforce pay, as well as to explain complex share-based incentive schemes and how their directors have complied with their statutory duty to have regard to certain categories of stakeholders.

The Government response sets out nine headline proposals for reform across the three specific aspects of corporate governance:

- **Executive pay;**
- **Strengthening the employee, customer and supplier voice;** and
- **Corporate governance in large privately-held businesses.**

It also takes into account the need for effective enforcement of the corporate governance framework.

The key points highlighting the proposal by the Government based on the responses received are stated below:

**A. EXECUTIVE PAY**

- **Pay ratios**
  
  Quoted companies will be required to state the ratio of their CEO’s pay to average workforce pay in their annual remuneration report. They would also have to explain any changes to that ratio from year to year, as well as how the ratio relates to pay and conditions across the wider workforce. This requirement would be implemented through secondary legislation and so would be mandatory.

- **Remuneration committees**
  
  The Government will invite the Financial Reporting Council (FRC) to revise the Code so as to give remuneration committees more responsibility for demonstrating how pay and incentives align across a company and to explain to the workforce how decisions on executive pay reflect wider pay policy.

- **Minimum tenure**
  
  The Government will ask the FRC to introduce a new requirement in the Code that a person must have served for 12 months on a remuneration committee before assuming the position of chairperson.

- **Shareholder opposition to executive pay**
  
  The Government will invite the FRC to revise the Code so as to set out steps companies should take when they encounter “significant opposition” to executive pay proposals. Suggestions cited in the paper include requiring companies to issue a public response or put their existing or a revised remuneration policy to a binding vote at their next AGM.

**B. SHARE-BASED INCENTIVE SCHEMES**

- **Reporting on long-term incentive plans (LTIPs)**
  
  Quoted companies would be required to include in their remuneration policy a “clearer explanation” of the potential outcomes of complex, share-based incentives. This would be achieved through secondary legislation, probably by amending the existing accounting regulations that apply to large and medium-sized companies.

  The Government will also invite the FRC to engage with stakeholders on the possibility of including new principles or guidance on share-based remuneration in the Code.

  The Government although states that companies should avoid conforming rigidly to a standard LTIP model and should consider other remuneration structures that may be more appropriate to their business or strategy.

- **Minimum holding period**
  
  The Code currently recommends that executive options should not be exercisable for at least three years and that remuneration committee should consider requiring directors to hold shares for a further period after exercise. The Government agrees with the Select Committee’s recommendation that the minimum period be increased to five years (including both the vesting period and the post-exercise holding period) and intends to invite the FRC to consult on changes to this effect in the Code.

  In taking this approach, the Government envisions that properly-designed LTIPs can provide a “powerful driver of long-term executive decision-making”.

**C. EMPLOYEES AND STAKEHOLDERS**

- **Employee board representation**
  
  The green paper had suggested three models for involving employees in board decisions: designate existing non-executive directors to represent employees; create an employee council
which the board would have to consult; or appoint a director from the workforce.

According to the response paper, none of the three options garnered significant support over the others, although there was broad support for more employee involvement. Thus the Government suggests asking the FRC to update the Code to require companies to choose one of the three mechanisms and adopt it.

This approach has the advantage of enabling companies to choose which of the three models is most suited to its structure and employee base, or even to disregard all three options completely if it can justify non-compliance with the Code.

- Stakeholder engagement
Companies of a “significant size” will be required to explain how their directors have complied with section 172 insofar as it requires them to take employees, suppliers, customers and other stakeholders into account.

D. LARGE PRIVATELY-HELD COMPANIES

The response paper revealed that there is need of strengthening the standards for corporate governance for large private companies. The Government believes that this recognises the impact of these companies have on employees, suppliers, customers and other stakeholders, even though they are not publicly traded.

- Corporate governance code
The Government intends to ask the FRC to work with various industry bodies to develop a code of corporate governance for large private companies.

The requirement would apply only to companies with more than 2,000 employees. Although styled as a code for private companies, it would apply to public companies as well, unless they are already required to report against the UK Corporate Governance Code or to issue a corporate governance statement under the FCA’s Disclosure Guidance and Transparency Rules.

- Disclosure of corporate governance arrangements
All companies with more than 2,000 employees will be required to disclose their corporate governance arrangements in their directors’ report and state whether they follow a formal code.

CONCLUSION

The proposal made by the Government indicates the firm action taken in the areas such as pay ratio reporting and corporate governance for privately-owned companies. Many of the proposals made by the government take the form of changes to the UK Corporate Governance Code. The detail of the proposed changes to the Code will be the subject of a consultation launched by the FRC. The FRC has welcomed the Government’s suggestions and intends to fold these items into the fundamental review of the Code.

The FRC intends to consult on amendments to the UK Corporate Governance Code in the autumn of this year. Secondary legislation in respect of the other measures is expected to be introduced by March 2018. The aim is to introduce the changes by June 2018 to apply to company reporting years commencing on or after that date.

The detailed response is available at:
**Advertisement Tariff**

(With Effect from 1st April 2012)

<table>
<thead>
<tr>
<th>BACK COVER (COLOURED)</th>
<th>COVER II/III (COLOURED)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non – Appointment</strong></td>
<td><strong>Non – Appointment</strong></td>
</tr>
<tr>
<td>Per Insertion</td>
<td>Per Insertion</td>
</tr>
<tr>
<td>₹ 75,000</td>
<td>₹ 50,000</td>
</tr>
<tr>
<td>4 Insertions</td>
<td>4 Insertions</td>
</tr>
<tr>
<td>₹ 2,70,000</td>
<td>₹ 1,80,000</td>
</tr>
<tr>
<td>6 Insertions</td>
<td>6 Insertions</td>
</tr>
<tr>
<td>₹ 3,96,000</td>
<td>₹ 2,64,000</td>
</tr>
<tr>
<td>12 Insertions</td>
<td>12 Insertions</td>
</tr>
<tr>
<td>₹ 7,65,000</td>
<td>₹ 5,10,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FULL PAGE (COLOURED)</th>
<th>HALF PAGE (COLOURED)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non – Appointment</strong></td>
<td><strong>Appointment</strong></td>
</tr>
<tr>
<td>Per Insertion</td>
<td>Appointment</td>
</tr>
<tr>
<td>₹ 40,000</td>
<td>₹ 10,000</td>
</tr>
<tr>
<td>4 Insertions</td>
<td>4 Insertions</td>
</tr>
<tr>
<td>₹ 1,44,000</td>
<td>₹ 38,000</td>
</tr>
<tr>
<td>6 Insertions</td>
<td>6 Insertions</td>
</tr>
<tr>
<td>₹ 6,11,000</td>
<td>₹ 52,800</td>
</tr>
<tr>
<td>12 Insertions</td>
<td>12 Insertions</td>
</tr>
<tr>
<td>₹ 4,08,000</td>
<td>₹ 1,02,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PANEL (QTR PAGE) (COLOURED)</th>
<th>EXTRA BOX NO. CHARGES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Per Insertion</strong></td>
<td><strong>For ‘Situation Wanted’ ads</strong></td>
</tr>
<tr>
<td>₹ 10,000</td>
<td>₹ 50</td>
</tr>
<tr>
<td>(Subject to availability of space)</td>
<td>For Others ₹ 100</td>
</tr>
</tbody>
</table>

**MECHANICAL DATA**

- Full Page - 18x24 cm
- Half Page - 9x24 cm or 18x12 cm
- Quarter Page - 9x12 cm

**The Institute reserves the right not to accept any particular advertisement.**

- The Journal is published in the 1st week of every month and the advertisement material should be sent in the form of typed manuscript or art pull or open file CD before 20th of any month for inclusion in the next month’s issue.

For further information write to:

The Editor

CHARTERED SECRETARY

THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

In pursuit of professionalism

(Subject to availability of space)

- Spl. Attraction

- 30% reduction for last billing for 36 insertions in 3 years in any category

---

*Embracing Dess Digital Meetings is a great way to make a difference. It’s very easy to use and it’s very easy to incorporate last minute changes.*

CS Gorav Arora
Group Manager - Corporate Secretarial, Apollo Tyres

**Please contact:**
**Dess Digital Meetings**
The Trusted Meetings Solution Used By The Leading Boards

+91 97029 28562 | info@dess.net
COMPANY SECRETARIES BENEVOLENT FUND

Safeguarding and caring for your well being

Company Secretaries Benevolent Fund

The Company Secretaries Benevolent Fund (CSBF) provides safety net to Company Secretaries who are members of the Fund and their family members in distress.

CSBF
- Registered under the Societies Registration Act, 1860
- Recognised under Section 12A of the Income Tax Act, 1961
- Subscription/Contribution to Fund qualifies for the deduction under section 80G of the Income Tax Act, 1961
- Has a membership of over 12,000

Eligibility
A member of the Institute of Company Secretaries of India is eligible for the membership of the CSBF.

How to join
- By making an application in Form A (available at www.icsi.edu/csbf) along with one time subscription of ₹10,000/-.
- One can submit Form A and also the subscription amount of ₹10,000/- ONLINE through Institute’s web portal: www.icsi.edu. Alternatively, he can submit Form A, along with a Demand Draft or Cheque for ₹10,000/- drawn in favour of ‘Company Secretaries Benevolent Fund’, at any of the Offices of the Institute/ Regional Offices/ Chapters.

Benefits
- ₹7,50,000 in the event of death of a member under the age of 60 years
- Upto ₹3,00,000 in the event of death of a member above the age of 60 years
- Upto ₹40,000 per child (upto two children) for education of minor children of a deceased member in deserving cases
- Upto ₹60,000 for medical expenses in deserving cases
- Limited benefits for Company Secretaries who are not members of the CSBF

Contact
For further information/clarification, please write at email id csbf@icsi.edu or contact Mr. Saurabh Bansal, Executive on telephone no.011-45341088.

For more details please visit www.icsi.edu/csbf